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BWI = Baltimore Washington International Airport

CHS = Charleston International Airport

DFW = Dallas-Fort Worth International Airport

DTW = Detroit Metropolitan Airport

ELP = El Paso International Airport

IAH = Houston Intercontinental Airport

MWAA= Metropolitan Washington Airports Authority

OAK = Oakland International Airport

PDX = Portland International Airport

PVD = TF Green Providence International Airport

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Chapter I Airline Agreements

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1.1
Term

1.1 Term

Excerpt from PDX Agreement:

PDX

The Port and a two-thirds (2/3) affirmative vote of the Signatory Airlines (an MII as defined in Section 25) may mutually agree to amend the Signatory Airline Lease and Operating Agreement, including this Agreement, to extend its term to seven (7) years, provided that such agreement to extend is reached, in writing, at least one (1) year before the scheduled Termination Date, and provided further that there shall be no Revenue Sharing during years six (6) and seven (7), should the Signatory Agreement be extended, unless otherwise later negotiated and agreed to, in writing, by the parties.

1.2
Control of Space

1.2 Control of Space

Excerpt from STL Agreement:

STL

Airline's right to its Preferential Use Gates shall be subject to an average Gate utilization requirement of 4 flight departures each day per Gate assigned to Airline. For purposes of this Section, flight departures by Affiliates and Partners shall be counted towards Airline's average Gate utilization requirement.

Excerpt from BWI Agreement:

BWI

"Minimum Use Requirement" shall mean continuous operation of an average of at least five (5) jet aircraft daily departures ("departures") per leased Preferential Use holdroom, excluding the holdrooms in the Commuter Terminal, but including all other holdrooms leased under BULA and other leases with the Administration. When determining if the Airline has met the Minimum Use Requirement, the Administration shall only include departures conducted by the Airline in jet aircraft with less than 100 seats by multiplying the number of departures in these aircraft by 50% and departures conducted by the Airline in jet aircraft with 100 or more seats by multiplying the number of departures in these aircraft by 100%.

1.2
Control of Space

BWI

The MAA's calculation of the Airline's average daily departures described above shall include the departures of the Airline's MAA-approved subtenants that notify the MAA that they seek to have their aircraft departures included in the Airline's average daily departures calculation rather than their own average daily departures calculation. The average daily departures calculation will be based on activity over the immediately preceding thirty (30) day period.

Excerpt from BWI Agreement:

"Deplaned Destination Passenger" shall mean any passenger, except the flight crew, disembarking from an aircraft at the Passenger Terminal, and subsequently leaving the Passenger Terminal by other transportation means instead of directly departing on another aircraft of the same or a different Air Transportation Company.

1.3
Loading Bridge Ownership and Maintenance

1.3 Loading Bridge Ownership and Maintenance

Excerpt from STL Agreement:

STL

Airline acknowledges that it is the City's long-term policy to own all the passenger loading bridges at the Terminal Buildings. Notwithstanding any other provision in this Agreement, the City may elect during the term of this Agreement to: (i) replace any existing City-owned passenger loading bridges, (ii) purchase passenger loading bridges to be installed at Gates lacking such equipment, and/or (iii) enter into negotiations with Airline to acquire and/or replace any or all Airline-owned passenger loading bridges at the Airport.

Excerpt from STL Agreement:

1.3 Loading Bridge Ownership and Maintenance

STL

Passenger Loading Bridge Maintenance. On or about July 1 of each year, Airline shall submit to the City for City's approval, which approval shall not be unreasonably withheld or denied, a 12-month maintenance schedule for each City-owned passenger loading bridge associated with each of Airline's Preferential Use Gates. Airline shall report to the City at the close of each Fiscal Year any repair and maintenance completed on each such passenger loading bridge, and the cost expended for all repairs and maintenance. Airline shall pay all costs of operating, repairing and maintaining such passenger loading bridges.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

1.4 Ability to Accommodate New Entrants/Growing Incumbents

Excerpt from PDX Agreement:

PDX

34.2 Accommodation of Other Airlines

It is recognized by Airline and the Port that, from time to time during the term of this Agreement, it may become necessary for the Airline to voluntarily accommodate another Air Carrier within its Premises, or for the Port unilaterally to require Airline to accommodate another Air Carrier within Airline's Premises in furtherance of the public interest of having the Airport's capacity fully and more effectively utilized, as follows:

(a) To comply with any applicable rule, regulations, order or statute of any governmental entity that has jurisdiction over the Port, and comply with federal grant assurances applicable to the Port.

(b) To implement a Capital Improvement at the Airport.

(c) To facilitate the providing of new or additional air services at the Airport by a requesting Air Carrier when no Airline serving the Airport is willing to accommodate the requesting Air Carrier's

operational needs or requirements or facilities at reasonable cost or on other reasonable terms.

34.3 Process of Seeking Accommodation Required by Law

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

PDX

When responding to Section 34.2 (a), the Port will request accommodation through an expedited procedure. The request for accommodation will be made based on a reasonable and nondiscriminatory evaluation of the most cost effective, least disruptive alternative, and yet operationally reasonable alternative that is available. Within ten (10) days of written notice of the Port's intent to require accommodation, Airline must accept the request or notify the Port that is wished to meet and show cause why the accommodations should not be made. If the Port elects to proceed with the accommodation after meeting with Airline, the Port shall give Airline not the less than thirty (30) days notice to accomplish the accommodation.

34.4 Accommodation Protocol for Other Reasons

In responding to a request for facilities from requesting Air Carrier under Section 34.2(b) or 34.2(c), the Port shall work with the requesting Air Carrier to attempt to obtain access to existing Airport capacity through one (1) or more of the following alternatives; (a) lease vacant space, if any such vacant space is reasonable for the request use; (b) use existing Common Use space, if any such space is reasonable and available for the request us: (c) enter into a sublease or ground handling agreement with an existing Air Carrier, if all parties are willing; and/or (d) reclaim Premises from a Signatory Airline who is under utilizing its Premises, Within ten (10) days of a written notice of the Port's intent to require accommodation, Airline must accept the request or notify the Port that it wished to meet and show cause why the accommodation should not be made, If the Port elects to proceed with the accommodation after meeting with Airline, the Port shall give Airline not less than thirty (30) days notice to accomplish the accommodations

34.5 Accommodation Requirement

When requested to do so by the Port, Airline agrees to use reasonable good faith efforts to accommodate the requesting Air Carrier's requirements through joint use of its facilities or through a sublease or passenger handling or ground handling agreements. Airline, in offering joint use of its facilities or offering a sublease or ground handling agreement to the requesting Air Carrier, is not

required to provide facilities to the requesting Air Carrier that would be incompatible with Airline's (including an Affiliated Airline's) own reasonable schedule of operations or the operations of any other Air Carrier(s) being accommodated by Airline at the time of the requesting Air Carrier's request.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

34.6 Right to Take Back Underutilized Airline Premises

PDX

If the requesting Air Carrier fails to reach agreement with Airline, or any other Signatory Airline, and no vacant or Common Use space is available and suitable for the required accommodation, the Port may make a reasonable determination as to whether any Signatory Airline, or Signatory Airlines, have underutilized facilities or capacity available to accommodate the requesting Air carrier, after taking into consideration the nature and extent, of those Signatory Airlines' operations at the Airport, including any requirements for spare gates and facilities and whether there are any limitations on the nature, extent, cost, duration, and extension of such accommodations. If the Port determines, in its reasonable discretion, that none of the above alternatives can accommodate the requesting Air Carrier, the Port shall have the unilateral right to reclaim specifically identified underutilized Premises and lease that space to the requesting Air Carrier until such time as Airline can demonstrate a clear need to reclaim the deleted Premises.

34.7 Requirements for Final Determination

In making accommodation decision, the Port shall not be arbitrary and capricious. Such determinations by the Port shall take into consideration: (a) if the accommodation is requested due to underutilization, the then existing utilization of the Premises (including all existing accommodation arrangements) and any bona fide plan of Airline, or any other Air Carrier, for the increase utilization of the Premises to be implemented with twelve (12) months thereafter; (b) the need for compatibility among the current schedules, flight times, operations, operating procedures and equipment of Airline or any other Air Carrier (and its Affiliated Airlines) and those of the requesting Air Carrier, as well as the need for labor harmony; and, (c) the effect on scheduled service carriers of accommodating charter carriers at all the Terminal. Any non-public information provided by Airline regarding planned or proposed routes, schedules or operations shall treated as confidential by the Port to the maximum extent permitted by law.

34.8 Alteration to Space

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

PDX

Whether Airline agrees to accept the accommodation of requesting Air Carrier, or the Port elects to proceed with accommodation over Airline's protests, the requesting Air Carrier has the right and the responsibility, at its expense, to make improvements and alterations necessitated by the accommodation of the requesting Air Carrier, the scope of which must be reasonable and must be approved by the Port. If the Port issues a decision requiring accommodation within Airline's Premises, that decision shall be final order of the Port; provided that the Port shall reimburse and make the Airline whole for the unamortized value of any improvement made by the Airline to the Premises that needs to be removed in order to make the accommodation requested by the Port. In addition, Airline's continued objections may be further pursued by any means available under the law.

34.9 Reclaiming of Space

An Airline whose Premised is taken due to underutilization shall retain the first right to reclaim that Premises, upon ninety (90) days notice, if, at any time within eighteen (18) months following the date of this accommodation, it can demonstrate to the Port that its needs have grown and it will be making full use of the Premised that it retakes.

34.10 Published Schedule Changes

Each Air Carrier shall provide the Port, upon request, any published scheduled changes with a gate plot showing all times when aircraft are schedule to be utilizing each gate leased to such Air carrier including aircraft type, projected arrival and departure times, and point of origin or destination, including aircraft type, projected arrival and departure times, and points of origin or designation including activities by subtenants or Air Carriers being accommodated.

34.11 Payment for Accommodations Moves

If an Airline is required to move by the Port, the move and the development of new space and facilities will be paid for by the Port, using the appropriate Cost Center Revenues. Nothing in this Agreement shall limit the Port's rights to reclaim all or any portion of the Premises that the Port reasonably determines is needed for efficient Airport operations as long as the Port has complied with the provisions of this Section. In the event Airline is required to move, the Port will make all reasonable efforts to provided Airline with comparable alternative space.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

AUS

Excerpt from AUS Agreement:

ARTICLE VIII-ACCOMMODATION OF REQUESTING AIRLINES

Lessor shall accommodate the needs of an airline who seeks to initiate air passenger services to the Airport, but does not then lease space at the Airport, or an incumbent airline who seeks to expand its services to the Airport, (collectively, a "Requesting Airline") as follows:

If available, Lessor shall grant the Requesting Airline the use of Gates, ticket counter, office, baggage make-up, and related terminal space that are not currently under lease to another airline serving the Airport. If there is insufficient unleased space available. Lessor shall direct the Requesting Airline to contact the Signatory Airlines serving the Airport to attempt to reach an agreement for a sublease or joint use of space leased by a Signatory Airline or handing of the Requesting Airline's passengers, baggage, freight, and aircraft. Airline agrees to reasonably consider a request by a Requesting Airline to sublease or jointly use Airline's Premises and for handling. Airline shall not impose unreasonable terms or excessive charges on the Requesting Airline for sublease, joint use or handling. All sublease, joint use agreements, and handling agreements are subject to the prior written approval of the Director, which shall not be unreasonably delayed or denied. Nothing herein shall be construed to prevent a Requesting Airline from directly entering into a sublease, joint use agreement, or handling agreement with an existing Signatory Airline in the first instance.

If a Requesting Airlie notifies the Lessor in writing that is has contacted all Signatory Airlines at a level above the local station manager, and has exhausted all reasonable efforts to obtain accommodation for its proposed operations:

Lessor may require any signatory Airline, including Airline, having an underutilized Gate (as determined in accordance with Article VII, Subsection C and D) to accommodate the Requesting Airline, or immediately relinquish such underutilized Gate back to Lessor for reassignment to the Requesting Airline; or

If there are no underutilized Gate, and the Director determines that the Requesting Airline needs the requested space or facilities, and that to satisfy such need, it will be necessary for one or more of the

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

AUS

Signatory Airlines, to share its preferentially leased premises with the Requesting airline, the Director shall so notify each of the Signatory Airlines in writing,. Such notice shall inform the Signatory Airlines that it is the Director's intent to make a further determination within fifteen (15) days of how the Requesting Airline have not been voluntarily accommodated by one or more of the Signatory Airlines within such period, the Director may grant the Requesting Airline the right to use appurtenant passenger loading bridges and other equipment which is reasonably necessary for the use of such premises. In determining which premises will be made available to a Requesting Airline, the Director shall consider:

- *the average number of flights arrivals and departures per Gate per day;*

- *potential flight scheduling conflicts;*

- *potential labor conflicts;*

- *the location of Gates, tickets counters and other Preferential Use Premises; and*

- *operational and other matters deemed appropriate by the Director.*

- *In the event the Director grants a Requesting Airline the right of shared used of all or a portion of Airline's Premises;*

- *the Requesting Airline shall indemnify Airline form claims for damages and personal injury arising out of Requesting Airline's use of Airline's Premises to the same extent as Airline indemnifies Lessor under this Agreement.*

- *the Requesting Airline shall reimburse the Airline for Airline's direct costs and expenses related to providing such facilities plus administrative overhead not to exceed fifteen (15%) percent; and*

Airline shall be excused from its obligation to indemnify Lessor under article XIV A, for claims for damages or personal injury to caused by, or resulting from, Requesting Airline's use of Airlines Premised, except to the extend caused by or resulting from the negligence or willful misconduct of Airline, or Airline's agents, employees or contractors.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

BWI

Excerpt from BWI Agreement:

Accommodation of Other Air transportation Companies – Airlines acknowledges the MAA's obligation under federal law to provide Airport access to all qualified Air transportation Companies on reasonable terms and without unjust discrimination. As such, Airlines agrees that its lease of Preferential-Use Boarding Facilities includes an associated obligation to make best efforts to assist the MAA in accommodating, at its Preferential-Use Boarding Facilities includes an associated obligation to make best efforts to assist the MAA in accommodating, at its Preferential-Use Boarding Facilities, other air services at the Airport, including but not limited to services to enhance competition on routes served by Airline and/or other Air Transportation Companies already operating at the Airport, whether these services are provided by current or future Signatory Airlines or Non-Signatory Airlines.

At any time that the use by another Air Transportation Company of Airline's Preferential-Use Boarding Facilities will not interfere with Active Loading and Active Unloading operations by Airline, or its MAA-approved subtenant (s), the MAA may schedule aircraft operations such other Air Transportation Company at these facilities.

From time-to-time, the MAA may foresee that it will be unable to reasonably, efficiently, and adequately accommodate the existing or proposed operations of an Air transportation Company either at its Common-Use Boarding Facilities or at the Preferential-Use Boarding Facilities of any Signatory Airline during Non-active Periods.

When this occurs, the MAA shall first require the Air Transportation Company seeking to be accommodated to coordinate directly with the Signatory Airlines to attempt to establish an adequate accommodation arrangement. If this attempt proved unsuccessful ad determined by the Administration, MAA may provide a written notification by certified mail to all Signatory Airlines of the MAA's need to accommodate the proposed operations. The purpose of this notification shall be to encourage the Signatory Airlines to develop a reasonable solution, acceptable to the MAA in its sole discretion, which adequately addresses the MAA's need to accommodate the proposed operations.

After the MAA provides such notice, Airline shall, within 30 days, advise MAA if it can accommodate the proposed operations of the other Air Transportation Company and, if so, it must submit to the

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

MAA a written plan for accommodating the additional air services, including all agreements and contracts required for such accommodation. Based o the plans received, the MAA will determine how the proposed operations will be accommodated.
If no Signatory Airline has submitted such a plan within 30 days, or if the MAA determines, in its sole discretion , that none of the plans for accommodating the proposed operations of the other Air Transportation Company presented by any Signatory Airline pursuant to this section reasonably, efficiently, and adequately accommodates the proposed operations, then the MAA may, by certified mail, advise Airline and Airline shall, on its own or in combination with other Signatory Airlines, accommodate the additional air services in accordance with any reasonable plan developed by the Administration

BWI

During such period of time that such other Air Transportation Company is using Airline's Preferential-Use Boarding Facilities as required by the MAA, Airline's indemnification of Administration as required herein shall not extend to the use, occupancy and operations of said Air Transportation Company at the Airline's Preferential-Use Boarding Facilities pursuant to this section, unless damage or injury is caused by Airline, its officers, directors, employees, agents or invitees who have come upon the Preferential-Use Boarding Facilities in connection with Airline's occupancy thereof.

Airline may require Air Transportation Companies being accommodated on its Preferential-Use Boarding Facilities to agree in writing to indemnify Airline in the manner and to the extent required of Airline by MAA hereunder.

The MAA may require Airline to tow aircraft from the Passenger Terminal Apron Area adjacent to Airline's Preferential-Use Boarding Facilities, if the MAA seeks to use Airline's Preferential-use Boarding Facilities to accommodate operations by another Air Transportation Company. The MAA shall designate the Aircraft Parking and Storage Area to which the aircraft is to be towed, and will make reasonable efforts to assign a reasonably convenient parking location. This obligation of Airline to tow any parked aircraft not engaged in an Active Loading or Active Unloading operation shall include, but not limited to any, parked aircraft remaining-over-night. This towing requirement shall not be invoked by the MAA if the period of time between the completion of the Active Unloading and the commencement of the Active Loading periods for a turn-around aircraft operation is less than 90 minutes. Airline shall receive a credit in the amount of $150.00 (which fee shall be

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

BWI

subject to adjustment from time to time after consultation with the Signatory Airlines) from the MAA whenever (1) Airline tows aircraft at MAA's direction from the Passenger Terminal Apron Area adjacent to its Preferential-Use Boarding Facilities' to accommodate use by another Air Transportation Company for use of Airline's Preferential-Use Boarding Facilities by such Air Transportation Company for use of Airline's Preferential-Use Board Facilities by such Air Transportation Company is not in place. In the event Airline fails to remove any aircraft which MAA has directed Airline to tow under the provision hereof, in an expeditious manner as determine solely by the Administration may, but shall not be obligated to, cause the removal of such aircraft without any liability to Airline, whereupon Airline shall pay to Administration (1) all costs thereof incurred by Administration plus a twenty-five percent (25%) administrative fee, or (2) double the towing reimbursement fees set forth above, whichever is greater. In such case, Airline also agrees that, if Administration moves Airline's aircraft 91) any claim for compensation against Administration and any of its officer, agents, employees, contractors, or representatives against all liability arising out of such removal of said aircraft.

MWAA

Excerpt from MWAA Agreement:

ARTICLE 17. – AVAILABILITY OF ADEQUATE FACILITIES

17.01 General. The Authority and the Airline agree that facilities at the Airports are limited and the Airline shall cooperate fully with the Authority's exercise of its obligation to prudently operate and manage the Airports so as to provide adequate facilities for all Air Transportation Companies, including the Airline, operating or desiring to operate at the Airports.

17.02 Periodic Reallocation of Premises. It is recognized that an allocation of Premises at national occurred in1989 and is reflected in Exhibited N-B and D-B. It is recognized that an allocation of Premises will occur at Dulles in conjunction with the westerly and easterly expansions of the Main Terminal and said allocation will be consistent with Section 6.04. In addition to any other rights of the Authority, the Authority may, effective the date which is nine (9) months prior to the date of Substantial Completion of the new North Terminal at National and on every third anniversary of the date of Substantial Completion thereafter, reallocated the Airline's Premises and Equipment at National Airport among the Signatory Airlines. In addition to any other rights of Authority, the Authority may, effective on the date which is the third

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

MWAA

anniversary of the date of Substantial Completion of the westerly expansion of the Main Terminal at Dulles and on every third anniversary of that date thereafter, reallocate the Airline's Premises and Equipment at Dulles Airport among the Signatory Airlines. Such reallocations may result in the reduction of the Airline's Premises and Equipment and/or cause the Airline to vacate Premises and relocate to other Premises. The reallocation of any Premises shall be accomplished in accordance with a utilization study conducted by the Authority which shall take into account the following factors, among other:

(i) Each Signatory Airline's historical; current and reasonably projected frequency of operations:

(ii) Each Signatory Airline's number of Enplaning and Deplaning Passengers:

(iii) Each Signatory Airlines' number of gates;

(iv) Each Signatory Airline's linear feet of ticket counter space, square feet of holdroom space and square feet of other Premises:

(v) The need to provide Premises and Equipment to a Signatory Airline which is without adequate Premises and Equipment leased directly from the Authority due to the unavailability of such space:

(vi) The practicality of the Authority constructing additional Premises within the reasonable period of time; and

(vii) The need for the Authority to manage aircraft and passenger activity at the Airport in order to correct an imbalanced use of Airport facilities, including Aircraft Parking Postions, or to minimize or ameliorate congestion in the Terminal or at the curbside.

17.02.01 In making such reallocations, the Authority shall give the Airline, along with other Signatory Airlines at the affected Airport, not the less than thirty (30) days written notice of the proposed space reallocation together with the Authority's reasons for the reallocations. The Airline shall during the thirty (30) day period be entitled to respond to the proposed reallocations in writing. A final decision of the Authority shall be in writing from the General Manager and contain the basis therefore along with the effective date of a reallocation, if any.

17.02.02 In implementing such reallocations, the Authority shall attempt to minimized disruption to the Airline's operations

and to presser the operational integrity of the Airline's Premises during and after such reallocation.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

17.02.03 If, as a result of a reallocation under this Section 17.02, the Airline is required to relocated all or a portion of its operations, or to consolidate its operations in its remaining Premises, the Authority shall determine the reasonable cost of such relocation or consolidation, including the unamortized cost on the basis of generally accepted accounting principles of reallocated Airline Operating Facilities and fixed improvements vacated by the Airline, and said cost shall be borne by the Signatory Airline gaining the use of the reallocated Premises or Equipment, and shall be paid the Airline.

MWAA

17.02.04 The Authority revise the Exhibits hereto, as appropriate, to reflect the resulting modifications of the Agreement, and such amended Exhibits shall be substituted herein.

17.03 V<u>oluntary Accommodation of a Requesting Airline.</u>

17.03.01 The need exists to maximize the use of facilities that are

available on a long term basis to the Signatory Airlines and to facilitate the entry of new Scheduled Air Carriers and the expansion of service by other Schedule Air Carrier operating a the Airports (hereinafter collectively referred to as "Requesting Airline(s) "). The Authority hereby expresses a preference to have, to the extent possible, a Requesting Airline's need to use the Airport (s) accommodated by the Signatory Airlines on a voluntary basis. The Airline's voluntary accommodation of the Requesting Airlines hereunder shall be subject to the prior execution of a handling agreement or written sublease between the Airline and such Requesting Airline setting forth mutually agreed upon terms, conditions, rates changes, which handling agreement or sublease shall also require the written approval of the Authority prior to the effectiveness thereof in accordance with Article 16. Any such accommodation agreement made by the Airline and the Requesting Airline may define the priority rights of the Airline.

17.04 <u>Accommodation on Exclusive and Joint Use Premises</u>.

17.04.1 In the event the Authority receives a written request from a Requesting Airline for a type of space leased on an exclusive or joint basis to others, and the Requesting Airline demonstrated to the satisfaction of the Authority that it has contacted all Signatory Airlines at a level above the local station manager and has exhausted all reasonable efforts to fine reasonable accommodations for its proposed operations on the Airport the

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

MWAA

Authority shall serve written notice to all Signatory Airlines of the Authority's intention to make a determination, in not less than fifteen (15) calendar days, as to how the Requesting Airline will be accommodated.

17.04.2 The Authority will be guided by all pertinent factors, including Airline's present use and the use planned by the Airlines for such Premises in the one hundred eighty (180) days immediately after the request, the present and planned requirement for Air Transportation Companies that the Airline is then accommodating or handling, and the compatibility of such Requesting Airline's proposed operations and work force with the Airline's own operations and work force and those of other Air Transportation Companies already using such facilities, and the security of the Airline's and the Requesting Airline's Operations.

17.04.3 The Authority may request that planned uses and requirements be documented and submitted in writing to the Authority, and if the Airline requests, the Authority shall treat such planned used and requirements as confidential, proprietary information.

17.04.4 If the Authority determines that the Requesting Airline can be accommodated on the Airline's Exclusive or Joint Use Premises, the Authority may: (i) authorize in writing the Requesting Airline to sue the Premises leased to the Airline: (ii) notify the Airline in writing of such authorization and the effective date thereof; and (iii) proved to the Airline and to such Requesting Airline a written statement specifying the required terms and conditions, if any, including whether the Requesting Airline may handle its aircraft and passengers with it own employees or agents, except that the Authority shall not prescribe the rate and charges to be imposed by the Airline upon the Requesting Airline for any services provided by Airline to the Requesting Airline, other than as prescribed in Article 16.

17.04.5 If the Airline is directed to accommodate a Requesting Airline in accordance with Section 17.04 and Section 17.06, the Airline shall make available to the Requesting Airline for the Requesting Airline's use, the Airline's Exclusive or Joint Use Premises or such portion thereof as shall be determined by the Authority

17.05 <u>Accommodation of Preferential use Premises</u>.

17.05.1 In the event the Authority receives a request from a Requesting Airline for a type of space leased on a preferential basis to others, the Authority shall make a determination as to how the Requesting Airline will be accommodated. Promptly thereafter, the Authority shall notify the Airline of any planned accommodation on the Airline's Preferential Use Premises; provided, however, the Authority has determined that the Requesting Airline's schedule is compatible with the Airline's priority

use as described in Paragraph 17.05.2 and would not require the Airline to reschedule an existing arrival or departure. The Airline shall, consistent with its right of priority use, as described in the Paragraph 17.05.2, accommodate such Requesting Airline as directed by the Authority by providing access to and use of its Preferential Use Premises.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

MWAA

17.05.2 If the Airline is directed to accommodate a Requesting Airline under paragraph 17.05.1, the Airline shall have priority use of such Premises at all times except for each period commencing fifteen (15) minutes before the Requesting Airline's next scheduled arrival at the gate and continuing until he earlier of the Requesting Airline's scheduled departure from the gate or forty-five (45) minutes (one hundred twenty (120) minutes for a wide body aircraft) before the next scheduled use of the gate by the Airline assuming there is no other gate available to the Airline for such next scheduled use. The Airline may make a change in its own scheduled use of said facilities by giving the Requesting Airline who is being accommodated at least thirty (30) days notice of any schedule change that would require the Requesting Airline to change its schedule or otherwise discontinue use of said facilities. In the event of any conflicts due to schedule delays of either the Airline or the Requesting Airline, such conflicts shall be resolved in the manner least likely to inconvenience the passengers of both airlines. Such conflicts shall be resolved by the Airline and the Requesting Airline whenever possible. In the absence of such resolution, the Authority shall resolve such conflicts.

17.05.3 Accommodation of Preferential use Premises shall not be subject to the procedures of Section 17.04, but shall be as directed by the Authority for the operations of aircraft by an Air Transportation Company; provided Section 17.05 unless there is not a reasonable means of accommodating the Air Transportation Company on Premises and Equipment obtain directly from the Authority, and , if the Requesting Airline is a Signatory Airline, there is not a reasonable means as determined by the Authority, of accommodating the aircraft operations on that Signatory Airline's Premises and Equipment.

17.05.4 For purpose of Paragraph 17.05.01, a direction by the Authority shall be sufficient if given by the manager of the Airport to the Airline's manager of its station for the Airport.

17.06 <u>Use of Equipment</u>

In connection with an accommodation pursuant to Section 17.04 or 17.05, the Authority may also authorize the Requesting Airline to use Equipment or airline-owned equipment; provided, however, that whenever the Requesting Airline is authorized to use airline-owned equipment, the following conditions shall apply: (i) such equipment must be essential to the accommodation of the Requesting Airline (e.g., loading bridges and

baggage claim and makeup equipment), and (ii) when reasonably required, the Airline ma require the Requesting Airline to use the Airline's employees to operate such equipment.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

17.07 Indemnification.

During the period of accommodation by a Requesting Airline pursuant to Section 17.04 through 17.06, the Airline shall be relieved of its obligation under this Agreement to indemnify and save harmless the Authority, it's officers, directors, employees, or agents with regard to any claim for property damage or personal injury arising out of the accommodation of said Requesting Airline unless such damage or injury is caused by the negligence or willful misconduct of the Airline, its officers, directors, employees, or agents. The Authority shall require the Requesting Airline to agree in writing to indemnify the Authority and the Airline in the manner and to extent required of the Airline, pursuant to Article 12 hereof.

MWAA

17.08 Payment by the Requesting Airline.

Payment by the Requesting Airline to the Airline for accommodation on the Airline's Premises or Equipment or Airline-owned property and for services shall be reasonable and for the Premises or Equipment or Airline-owned property shall not exceed one hundred fifteen percent (115%0 of the Airline's cost on a pro-rate basis. The Airline may require a reasonable security deposit from the Requesting Airline, not to exceed three 93) months' payments. In the event of payment default by the Requesting Airline, the Airline may institute termination procedures in the following manner: (i) the Airline shall certify such payment default to the Authority; (ii) the Authority shall have fifteen (15) days in which to pursue appropriate remedies against the Requesting Airlines; and (iii) if, after such fifteen (15) day period, the Requesting Airline remains in default, the Airline may terminate the Requesting Airline's use of such Premises, Equipment and airline-owned equipment upon fifteen (15) days' notice.

STL

Excerpt from STL Agreement:

Section 405. Accommodation In City-Controlled Facilities

The City may retain under its exclusive control and possession certain facilities in the Terminal Buildings, including, initially, the facilities described and shown on Exhibit B. It is the intent of the City to use, at its discretion, nay of the City-controlled facilities to accommodate: (i) airlines not requiring permanent facilities or airlines requiring temporary accommodation pending allocation of permanent facilities and (ii) the needs of Signatory Airlines and Nonsignatory Airlines. Upon Airline's request, the City may grant to Airline to the right to use, in common with other airlines,

designated City-controlled facilities subject to Airline's payment of applicable fees.

Section 406. Accommodation in Preferential Use Gates

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

The City may grant Requesting Airline(s) the right of use in common of all or a designated portion of Airline's Preferential Use Gates and Rights of ingress and egress subject to and in accordance with the terms and conditions of this Agreement.

STL

The right to use Airline's Preferential Use Gates (and associated Aircraft Parking Positions, appurtenant equipment, and ancillary support space which are reasonably necessary for the effective use of such Gates), shall be scheduled so as not to interfere with Airline's scheduled deplaning, enplaning, and servicing activities or those of any Affiliate or Partner, or any other airline that Airline services under any then-existing handling agreement. In accommodating Requesting Airline(s) in Airline Preferential Use Gates, the City shall provide for departure not later than one hour before Airline's next schedule departure. Airline, its Affiliates, and Partners shall have priority over other uses with respect to overnight parking on Airline's assigned Aircraft Parking Position, provided that from its Assigned Parking Position during regular hours of operations to accommodate use by others in accordance with the provisions of this Article. Airline's off-schedule operations in its Preferential Use Gates shall take precedence over the use of a Requesting Airline: provided however, that if Airline's off-schedule operations interface with the Requesting Airline's use of Airline's Preferential Use Gates, Airline shall work with, and shall make best efforts to accommodate, Requesting Airline at another Gate.

As a condition to any grant of rights to the Requesting Airline in accordance with this Section, the City shall require Requesting Airline to pay Airline, and Airline shall be entitled to collect from the Requesting Airline the Nonpreferential Gate Use Fee, as well as reasonable charges for the Requesting Airline's use of Airline's proprietary systems and equipment.

When granted use of space under the provision of Sections 406 and 407, Requesting Airlines shall have the right in all cases to ground-handle their own operations or to be handled by the operator of their choice.

City shall require that the Requesting Airline enter into an agreement to pay Airline the fees and charges specified in this Section, and to indemnify the City and Airline in connection with

Requesting Airline's use of Airline's Preferential Use Gates and associated Aircraft Parking Position, and shall required the Requesting Airline to provide a payment guarantee and proof of insurance. The terms of the indemnification and the required insurance shall be those set out in Article XI; provided, however, that Airline may request to be named as an additional insured.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

SECTION 407. Procedures for Accommodation in Preferential Use Gates

STL

If a Requesting Airline, including any airline seeking to expand its schedule service or an airline seeking to begin scheduled service at the Airport, needs Gate space at the Airport, and such need cannot reasonably be met by use of Gates not leased to other Signatory Airlines, the City on behalf of the Requesting Airline shall make a request of all Signatory Airlines leasing Preferential Use Gates for accommodation. The request shall be made to the person(s) designated to receive communications hereunder with a copy to the local station manager, and shall identify the need for such request. Airline shall make reasonable efforts to accommodate such request and shall provide a response to the Requesting Airline and the City within 15 days.

If no Signatory Airline volunteers to accommodate the Requesting Airline's operational needs or requirements for Gate space at reasonable costs and on other reasonable terms, the City may, upon 30 days notification to Airline, grant the Requesting Airline the right of use in common with Airline one or more of Airline's Preferential Use Gates subject to the conditions contained herein. In making such determination, the City shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including Airline's historical and then-present Gate utilization, the know planned use for such premised in the 180 days immediately after the request, the compatibility of such Requesting Airline's proposed operations and work force including ground-handling operations with Airline's and its Affiliates' and Partners' operation s and work force and the security of Airline's and the Requesting Airline's operation. The City may request that planned used and requirements be documented and submitted in writing to the City, but the City shall treat such planned uses and requirements as confidential, proprietary information, to the extent allowable by law.

Requesting Airline has the right to make improvements and alterations necessitated by any required long-term accommodation,

the scope of which shall be subject to approval by Airline and the City. Approval shall not be unreasonably withheld.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

Upon the termination of such use in common with Airline, Requesting Airline shall be responsible for returning all Gate and other facilities used by the Requesting Airline to the condition received, normal wear and tear excepted, unless Airline and the City release requesting Airline from this requirement.

Section 408. Consolidation of Operation

STL

If the city needs additional facilities and it reasonably determines that Airline is under utilizing its Leased Premises and it able to consolidate its operation with out sacrificing its operational integrity (or that of its Affiliates, Partners, or of those airlines under contract with Airline for ground-handling services and being handled in the same facilities), the City may, upon consultation with Airline and after 60 days prior Notice to Airline, recapture a portion of the Leased Premises and required Airline to consolidate its operations into its remaining Leased Premises.

For purposes of this Section, under-utilization shall be reasonably determined by the City, taking into account the then–normal space utilization standard by all airlines at the Airport, Airline's space requirements to accommodate normal operating procedures of Airline, its Affiliates and Partners, planned used by Airline for such premised in the next 180 days and normal seasonal variation, and any related labor agreement. The City shall report its findings to Airline.

Through Notice to the City, Airline may request the City to reconsider its determination of under-utilization within 30 days of receipt of the City's Notice to consolidate. In such event, Airline shall provide documentation to show future plans for service other information requested by the City. The City shall make a reasonable determination which it believes best meets it overall goals for the Airport.

If the City elects to proceed with the consolidation of space after such reconsideration, the City shall give Airline Notice within 10days of such decision.

If there is no Event of Default with respect to Airline, the City shall pay all reasonable costs associated with the relocation of Airline's equipment, fixture, furniture, and signage, and shall reimburse Airline for the undepreciated value of the tenant's improvements that

cannot be relocated pursuant to the provisions of this Section; provide, however, that in lieu of reimbursing the undepreciated value of Airline's tenant improvements, the City may replace such tenant improvements with like improvements in the consolidated space. If Airline is under an Event of Default pursuant to, and has received Notice in accordance with, Section 1301. Airline shall consolidate into its remaining Leased Premises at its sole cost and expense.

1.4 Ability to Accommodate New Entrants/ Growing Incumbents

Section 409. Relinquishment of Abandoned Space

If the City reasonably determines that Airline has abandoned or constructively abandoned all or al portion of its Leased Premises, the City may, but is not obligated to, upon 30 days Notice of Airline, terminated this Agreement with respect to, and deleted from Airline's Leased Premises hereunder, such abandoned or constructively abandoned space. For purposed of this Section, abandoned or constructively abandoned space shall be determined by the City in its sole discretion but taking into account planned use by Airline for such premised in the following 180 days and normal seasonal variations. Airline may request the City to reconsider its determination of abandonment by giving Notice to the City. In such event, Airline shall provided documentation to show future plans for services, events of force majeure, if any, and other information requested by the City. The City shall make the determination that it believes best meets its overall goals for the Airport.

STL

Section 410. Relocation of Leased Premises

In order to optimized use of Airport facilities, the City reserves the right to reassign any or all of the Airline's Leased Premises after Notice, followed by a consultation period of no less than 90 days, In making such determination, the City shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including Airline's historical and then –present space utilization, the known planned use for such premises, and Airline's operations space adjacencies. If any such reassignment occurs, Airline shall be assigned new space reasonably comparable in size, quality, finish, and location. Airline's cost shall not increase as a result of any relocation unless Airline requests additional space and/or replacement space in a difference Cost Center. Airline's relocation of any of its Leased Premises resulting from such reassignment shall be at the City's sole expense. Airline shall be reimbursed for its reasonable out-of-pocket expenses incurred as part of the relocations and for the underpreciated value of its tenant improvements that cannot be relocated; provided, however, that in lieu of reimbursing the

undepreciated value of Airline's tenant improvements, the City may replace such tenant improvements with like improvements in the new space.

1.5 Affiliate Definition and Treatment

1.5 Affiliate Definition and Treatment

PDX

Excerpt from PDX Agreement:

All Affiliates using the Airport must enter into an Affiliates Non-Signatory Agreement with the Port. All Rent due from the Affiliate and all reports required to be made for payment of Rent shall be made by the Contracting Carrier. Notwithstanding the foregoing, the Affiliate shall directly report and pay to the Port all PFCs that it collects. The Contracting Carrier must also sign the Affiliate's Non-Signatory Agreement with the Port. If the Contracting Carrier fails to make payment or submit reports on behalf of the Affiliate, the Affiliate remains fully responsible and liable to the Port for both reporting and payment. As long as the Contracting Carrier is making the Rent payments and submitting the activity reports for the Affiliate, then that Affiliate activity will count toward the Contracting Carrier's activity, Revenue Sharing, and MII weight. The Contracting Carrier will also be liable to the Port to pay all Rent due from the Affiliate, and any such Rent past due (including PFCs) will be subtracted from any Revenue Sharing or other rebate or reimbursement due to the Contracting Carrier. Any Air Carrier who operates under its own livery and sells any seats in its own name will not be deemed an Affiliate. An Affiliate may work for more than one (1) Signatory Carrier at a time, or from time to time, but any Signatory Carrier for whom the Affiliate is working must sign the Affiliate's Non-Signatory Agreement, agreeing to be responsible for reporting and paying for the Affiliate's operations on its behalf. Notwithstanding anything to the contrary, the Air Carrier's status as an Affiliate of the Signatory Carrier at the Airport may be terminated by the Signatory Carrier upon not less than thirty (30) days written notice to the Port. Any Affiliate who sells any seats in its own name will be required to sign a Signatory Agreement, or will be subject to all provisions of the Non-Signatory Agreement, and Section 33.6.2 shall not apply.

BWI

1.5 Affiliate Definition and Treatment

Excerpt from BWI Agreement:

Neither the number of Affiliates nor the activities and revenues attributable to the operations of an Affiliate shall be included in any ballot issued pursuant to the Section XIV.C., "Signatory Airline Review of Proposed Capital Improvements" of this BULA.

STL

Excerpt from STL Agreement:

"Affiliate" means any commercial air transportation company that: is designated by Airline to the City as its Affiliate; provided that Airline is a Participating Airline; and,

(i) has executed an airline operating agreement containing insurance, indemnification, and other standard provisions as required by the City; and either --

(ii) is operating at the Airport for the benefit of Airline, under the same or substantially similar livery as Airline, and: (a) is owned by Airline, or (b) is a subsidiary of the same corporate parent of Airline, or (c) is under contract to Airline in respect of such operation; or,

(iii) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of Airline; or,

(iv) is operating at the Airport under a shared International Air Transport Association ("IATA") flight designator code with Airline at the airport.

An Affiliate shall execute an airline operating agreement containing insurance, indemnification, and other standard provisions as required by the City. The designation of an Affiliate shall be made only if Airline is a Participating Airline. Moreover, no "major" airline, as such term is defined by the U.S. Department of Transportation, and as measured on the date of designation hereunder, may be designated as an Affiliate of Airline (unless such Affiliate is a subsidiary of the same corporate parent as Airline). Airline shall notify the City of those commercial air transportation companies it designates as Affiliates, and when such designation is removed or when the qualifications set forth herein are no longer present. At any time, Airline may give the City 30-day notice that such commercial air transportation company otherwise meeting the definition of an Affiliate hereunder shall no longer be considered an Affiliate of Airline for purposes of this Agreement.

1.5 Affiliate Definition and Treatment

The Rents, Fees, and Charges of the Affiliates shall be calculated using the same methodology used to calculate Airline's Rents, Fees, and Charges, in accordance with Article VI.

AUS

Excerpts from AUS Agreement:

Affiliate means an Air Carrier that does not have in effect a use and lease agreement or airline operating agreement with the City for operations at the Airport, and (a) is the parent or a subsidiary of Airline, (b) shares an International Air Transport Association flight designator code with Airline at the Airport, or (c) otherwise operates under essentially the same trade name, and uses essentially the same livery, as Airline at the Airport; provided, however, a major airline, as such term is defined by the FAA, may be not considered an Affiliate of another major airline if such classification is based on a code-share arrangement described in clause (b) of this subsection.

STL

Excerpt from STL Agreement:

Airline hereby unconditionally guarantees all Rents, Fees, and Charges, and all PFC remittances of any of its Affiliates accrued during the period of such designation, to the extent that such Affiliate's operations at the Airport were performed for the benefit or in the name of, or under a shared IATA flight designator code with, Airline. Upon receipt of Notice of default by any such Affiliate, Airline shall pay all amounts owed to the City on demand in accordance with the payment provisions of this Agreement.

1.6 Treatment of Alliances

1.6 Treatment of Alliances

STL

Excerpts from STL Agreement:

"Partner" means any commercial air transportation company that: is a Signatory Airline; is operating at the Airport under a shared International Air Transportation Association (IATA) flight designator code with Airline at the Airport; and sells seats on flights in or out of the Airport in the name of Airline.

1.7 Vacancy Risk

1.7 Vacancy Risk

1.8 Privileges Granted

STL

Excerpt from STL Agreement:

Section 301, Use of Airport

Subject to the terms of this Agreement, Airline shall have the right to conduct its Air Transportation Business at the Airport and to perform all operations and functions that are incidental or necessary to the conduct of such business at the Airport. Nothing in this Article shall be construed as authorizing Airline to conduct any business separate and apart from the conduct of its Air Transportation Business at the Airport. Any rights not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to the City.

MWAA

Excerpt from MWAA Agreement:

4.02 Exclusions, Reservations, and Conditions. The rights granted to the Airline under this Agreement shall be strictly construed, and may be exercised by the Airline only to the extent such rights are necessary or incidental to the conduct by the Airline of its Air Transportation Business. Except with the prior written approval of the Authority, the Airline is prohibited from conducting any business on the Airport separate and apart from the conduct of its Air Transportation Business.

PDX

Excerpt from PDX Agreement:

4. USE OF AIRPORT FACILITIES

4.1 Airline General Use Rights and Privileges

In addition to all specific rights granted elsewhere this Agreement, Airline shall have the general rights to use areas of the Airport, as designated in this Agreement for the following purpose:

4.1.1 The operation of its air transportation system, including, but not, limited to, the sale of air transportation tickets and services and the carriage of person and property, including all activities reasonably necessary or incidental to such operations;

4.1.2 The landing, taking off, flying over, taxiing, and towing of aircraft of Airline; and, in accordance with the provisions of this Agreement, including, but not limited to, Section 6 and 8, the conditioning, servicing, parking, storage or maintenance of Airline's aircraft:

1.8 Privileges Granted

PDX

4.1.3 The sale, disposition or exchange of Airline's aircraft, engines, parts and other equipment, or supplies, and the sale of lubricants or deicing fluid, but only to: (a) a wholly owned subsidiary company or parent company; (b) for use in aircraft of others which are being used solely in the operations of Airline: or 9c) another Air Carrier at the Airport during emergencies or snow events;

4.1.4 The purchasing at the Airport of fuels, lubricants, and any other goods or services, but only from a person or company operating on the Airport with a current and valid permit or operating agreement with the Port to conduct such sales or deliver said goods or services at the Airport;

4.1.5 The use of the Public Area by Airline, in common with the Port, other lessees, licensees and the general public:

4.1.6 The loading and unloading by Airline of persons, and property by motor vehicles or other means of conveyance, as Airline may desire or require in the operation of its air transportation system at locations deigned in Exhibit B, and at other locations designated by the Port;

4.1.7 In accordance with Section 10.4, the installation and maintenance (at Airline's sole cost and expense) of Airline-installed or requested signs, approved in writing, by the Port;

4.1.8 The installation, maintenance, and operation of such communications, computer, meteorological and aerial navigation equipment, as may be necessary or convention in the opinion of Airline for operation of its air transportation system to be located an installed in accordance with Section 10, and provided such equipment shall not interfere with Airport navigational aids, Port communication systems or with similar rights granted to other tenants or governmental agencies. In the event of such interference, the Port may require removal, relocation, or modification, at the sole cost of Airline, to eliminate such interference; provided, however, that the Port will provide Airline with reasonable amount of time to accomplish such removal;

4.1.9 Such rights-of-way as may reasonably be required for any Airline-owned communication, computer and power or other transmission lines and between the Terminal and other areas of the Airport, in locations designated, in writing, by the Port;

4.1.10 The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in accordance with the requirements of Section 10, in Airline's Exclusive Space, Shared Space, and Preferential Space, as Airline may deem necessary or prudent for the operation of its air transportation system

1.8 Privileges Granted

PDX

4.1.11 The construction of modifications, finishes and improvements in Airline's Exclusive Space, Shared space and Preferential Space, in accordance with the requirements in Sections 10, as Airline may deem necessary or prudent for the proper operation of its air transportation system;

4.1.12 The use by Airline, and others authorized by the Port, of the public address system which the Port shall provide, or cause to provide, in the Terminal for the purpose set forth in, and in accordance with, the Port's Rules and Regulations;

4.1.13 The installation of Instant Ticketing Machines and pay telephones in Airline's Exclusive Space and Preferential Space; and snack vending machines for its employees in its Exclusive Space; and

4.1.14 Subject to entry into a separate agreement with the Port and assurance of non-interference with the Port's Wi-Fi, the installation of Wi-Fi or other types of wireless communications systems within the Airline's Premises.

4.2 Right of Ingress and Egress

In order to exercise the rights and privileges granted to Airline by this Agreement, and subject to the Port's reasonable Rules and Regulations and the Airport Security Plan (:ASP"), Airline shall have ingress and egress rights over the roads and walkways of the Airport to and from the Premises,

4.3 Restrictions Upon Airline General Use Rights and Privileges

The rights of Airline under this Agreement are subject to any specific rights, obligations and restrictions which are granted or served elsewhere in this Agreement, including, but not limited to, Section 3. The rights granted to Airline by this Agreement shall not be exercised in such a way as to interfere with, or adversely affect the use, operation, maintenance development of the Airport. The Port grants to Airline no right or privileges other than those specified in this Agreement or in the Rules and Regulations.

1.8 Privileges Granted

PDX

4.4 Installation of Communication Devices

Except as restricted elsewhere in this Agreement, and subject to applicable provisions of the Federal Communications Act and implementing regulations of the Federal Communications Commission, the Port shall have the sole right to determine the location of, and install, or cause to be installed, pay telephone, internet kiosks, or WI-FI equipment at the Airport, except in Airline's Exclusive Space, provided that doing so does not; (a) unreasonably interfere with Airline's operations authorized hereunder; or (b) substantially diminish the square footage contained in Airline's Preferential Space. Upon twenty-four (24) hours written notice to the contact person identified in Section 36.34, the Port shall be entitled to reasonable access to Airline's Preferential Space to install or service such devices and Airline's Rent will be reduced proportionately for any space that Airline can no longer use, as a result thereof, unless the Airline requested installation of the service. Airline shall not install any Wi-Fi or other wireless communication equipment without the prior written authorization of the Port in order to avoid interference or security issues related to the installation of such devices within the Terminal. Subject to applicable provisions of the Federal Communications Act and implementing regulations of the Federal Communications Commission, Airline may be required to immediately remove or reconfigure any Wi-Fi or other wireless communication services that interferes with the Port's Wi-Fi or other wireless coverage of the Terminal so as to eliminate that interference. Airline will not be required to utilize the Port's wireless system, but may be offered the option to use I, if and when such a system is installed by the Port.

4.5 Port's Right to Install Vending Machines

The Port may install vending machines or other type of revenue generating devices in Airline's Preferential Space gate areas, provided that such installation and operation does not adversely impact Airline's operations authorized in this Agreement. The Port and Airline shall agree, in writing, where to locate said devices in said space.

4.6 Rights Limited to Air Transportation Activities

In the exercise of its rights and privileges under this Agreement, Airline shall only perform such functions as are required for the operation of its air transportation system, including those rights set out in this Section 4. Airline shall not have the right to conduct any other business on the Airport without first entering into a separate agreement with the Port to conduct such business, which agreement may provide for the payment of any additional fee to the Port. If Airline desires to provide goods or services, which goods or services would be otherwise available

from an Airport Concessionaire, the Port reserves the right to charge Airline the same fees, and in the same manner, as would otherwise be paid to the Port by the Concessionaire.

4.7 Landing Area Weight Limitations

1.8 Privileges Granted

PDX

The Port may prohibit the use of the Landing Area by any aircraft operated or controlled by Airline which exceeds the design strength or capability of the Landing Area, as described in the current "Airport Layout Plan," as approved by the FAA, other engineering evaluations performed subsequent to said Airport Layout Plan.

4.8 Interference with Airport Systems

Airline shall not do, nor permit to be done, anything that may interfere with the effectiveness or accessibility of the drainage, sewerage, water communications or fire protection system, or any other part of the utility, electrical, wireless, or other systems installed or located from time to time, at Airport. If any such interference should occur which causes any loss to the Port, Airline shall be liable to the Port for any such loss.

4.9 Limitations on Distribution of Food and Beverages at Airport

Except for distribution as part of the boarding process inside of the jetway, Airline shall not provide for the sale or distribution of food and/or beverages at the Airport, or on any Airport property, either to its employees, passengers or to the public. Airline may provide for the distribution of food to Airline's employees free-of-charge and may allow vending machines, as provided in Section 4.1.13. Fund raising events may not be held on any Airport property without first obtaining written approval from the Port. Upon entering into a separate agreement with the Port, Airline may engage in the sale of food and/or beverages to passengers and guest in any Private Passenger Lounge, at the Airport. Such agreement shall include a fee to paid to the Port which shall be not less than the current concession fee paid y the food and/or beverage Concessionaire(s), and shall be paid in addition to the Rent for the space occupied by such facility. No fee to the Port will be applicable to the free distribution of beverages and/or food consumed within any Private passenger Lounge. Notwithstanding the foregoing, Airline shall not be required to pay a concession fee to the Port on food or beverages, including alcoholic beverages, purchased directly from any of the Airport's Terminal Concessionaires who are already paying the Port a concession fee on those products. Verification that such a fee has already been paid to the Port will be required to avoid payment of the concession fee by Airline. In

order for the Airline to serve alcohol at the Airport, Airline must first obtain a liquor license and supply a copy of that license to the Port.

4.10 Limitations on Ground

1.8 Privileges Granted

Airline shall not operate, provide, or contract with another person or company to operate or provide any form of ground transportation service for the transportation of person to, from, or at the Airport, unless said service provider has first obtained a Port Ground Transportation Permit.

4.11 Installation of Advertising

Except in Airline's Exclusive Space and Preferential Space, the Port shall have the sole right to determine the location of, and to install or cause to b installed advertising at the Airport, including advertising devices and flight information displays. Except signage designed to assist disabled passengers in receiving

Excerpt from PIT Agreement:

PIT

<u>Section 3.01--Use of the Airport</u>

Subject to the terms hereof, and the restrictions contained in Section 3.03, Airline shall have the right: to conduct an air transportation business at the Airport; to use, in common with others so authorized, the common areas of the Airport (including the Landing Area and the public areas of the Terminal Complex Area), in addition to Airline's Leased Premises and assigned aircraft parking positions; and to perform all operations and functions as are connected, incidental or necessary to Airline's air transportation business at the Airport; including, without limitation, the following:

A. to repair, maintain, condition, service, tow, test, park and store aircraft and other equipment of Airline upon its exclusively and preferentially assigned aircraft parking positions and upon such other areas as the Authority shall reasonably designate;

B. to train personnel of, to be employed by, or under the direction of, Airline; to train personnel of other air transportation companies, personnel of other aircraft operators and personnel of governmental agencies;

C. to sell, lease, transfer, dispose of or exchange Airline's aircraft, engines, accessories, parts, gasoline, oil, grease, lubricants, fuel, propellants, food, beverages and all other materials, equipment, supplies and articles or goods used by, acquired in connection with or incidental to

Airline's air transportation business at the Airport; provided, however, that if Airline sells food or beverages, or fuel or propellants to any entity (other than to Airline's parent or any majority-owned subsidiary of such parent or Airline) and such items are at such time being provided at the Airport by an Authority-approved concessionaire, then Airline shall pay all appropriate and nondiscriminatory fees, charges and taxes imposed by the Authority whether by ordinance or agreement with respect to the sale of such items;

1.8 Privileges Granted

PIT

D. to purchase or otherwise obtain services and personal property of any nature, including, but not limited to, aircraft, engines, accessories, parts, gasoline, oil, grease, lubricants, fuel, propellants, food, beverages, including food and beverages for consumption aloft, passenger supplies and all other materials, equipment, supplies and articles or goods used by, acquired in connection with or incidental to Airline's air transportation business at the Airport, to its exercise of the rights herein granted or to its discharge of the obligations herein imposed, from any person it may choose, wherever such person may be located;

E. to land, take off, fly, taxi, tow, park, load and unload Airline's aircraft and other equipment of Airline used in the operation of scheduled, shuttle, courtesy, test, ferrying, training, inspection, emergency, special, charter, sightseeing and other flights, including, but not limited to. the right to load and unload Airline's aircraft upon its assigned aircraft parking positions;

F. to transport, load and unload airline crews and other personnel, passengers, cargo, baggage, property and mail to, from and at the Airport by such loading and unloading devices, automobiles, buses, trucks and such other means of conveyance as Airline may choose or require in connection with its air transportation business at the Airport;

G. to install, subject to the prior approval of the Director, and to maintain and operate, alone or in conjunction with any other air transportation company or companies, or through a nominee, such radio, communications, flight information display systems, meteorological and aerial navigation equipment, facilities and associated wiring, as may be necessary or convenient for Airline's air transportation business at the Airport, in or on Leased Premises and assigned aircraft parking positions, and at other locations at the Airport; provided, however, that Airline shall provide to the Authority, if requested, electronic flight arrival and departure information through airline systems and shall cooperate with the Authority's installation of centralized and remote flight information displays in addition to Airline's own flight information displays;

H. to use, in common with others so authorized, the public address system serving the Terminal Complex Area and the Terminal Ramp Area;

I. to use water and electric power, telephone and preconditioned air systems supplied by the Authority at or adjacent to Airline's Leased Premises; to use and maintain those aircraft support systems which have been purchased and installed by the Authority, the

1.8 Privileges Granted

PIT

maintenance of which has been delegated to Airline or the Signatory Airlines by specific agreement; and to purchase, keep and install, and in any event to use and maintain, at Airline's assigned aircraft parking positions, loading bridges and mobile stair devices for the loading, unloading and general servicing of Airline's aircraft, 400 Hertz auxiliary power systems, air start systems and other miscellaneous aircraft and aircraft-related support equipment and facilities at, adjacent to or in the proximity of Airline's assigned aircraft parking positions;

J. of ingress to and egress from the Airport including, without limitation, Airline's Leased Premises, and such right shall extend to Airline's employees, agents, passengers, guests, patrons, invitees, suppliers of materials and providers of service, and its or their equipment, vehicles, machinery and other property;

K. to erect, maintain and station security devices and to conduct a security check operation of passengers, baggage and packages in Airline's Leased Premises and in public areas of the Terminal Complex Area approved by the Director;

L. to use the areas designated as airline employee parking facilities for the parking of its employees' vehicles pursuant to an operating agreement, lease or other arrangement containing such reasonable terms and conditions as the Authority and Airline shall mutually agree upon and the payment of any reasonable fees required pursuant to such agreement or arrangement;

M. to use the Airport fuel system to be constructed as described in Exhibit F for the purpose of storing and dispensing fuel contingent upon entering into a fuel system lease with the Authority containing such reasonable terms and conditions as the Authority and Airline shall mutually agree upon, all in accordance with Exhibit F;

N. to station its employees or agents in Airline's Leased Premises and in other areas of the Airport so approved by the Director to provide baggage check-in services;

O. subject to the Authority's graphic standards for the Airport as the same may from time to time be adopted, amended or altered, all in consultation with the Signatory Airlines, to install, maintain and use, signs in Airline's Leased Premises including, without limitation, installation of Airline's logo on the walls behind ticket counters and check-in counters in holdrooms and on loading bridges at Airline's assigned aircraft parking positions, and, with the prior written approval of the Director, to install and maintain identifying signs and Airline's logo in public areas of the Terminal Complex Area, as customarily installed by Airline in such areas at comparable airport facilities. The Authority shall install adequate location and directional signs in the public areas of the Terminal Complex Area designating Airline's Leased Premises which signs shall be substantially uniform in size, design, type and location with those of other airlines conducting an air transportation business at the Airport;

P. to operate and maintain in Airline's Leased Premises, passenger clubs and lounges where Airline may serve food and beverages with or without charge; provided, however, that if Airline shall engage in the sale of food or beverages at such room or club, Airline shall pay to the Authority, in addition to all other fees and charges payable hereunder, a concession fee equal to the amount of gross sales at such room or club multiplied by the rate equivalent to the highest, nondiscriminatory concession fee rate (including any incremental percentage fees) being paid to the Authority by any concessionaire for similar sales at the Airport; and provided further that Airline shall receive credit against such fee in the amount of any rentals paid for such space which is being used for a passenger club or lounge;

1.8 Privileges Granted

PIT

Q. to maintain and operate, in Airline's Leased Premises in areas not accessible to the general public, vending machines dispensing food and beverages, tobacco products and other merchandise for consumption by Airline's employees;

R. to install, maintain and operate, in Airline's Leased Premises, customer relations, security and waiting room facilities and equipment; reservations offices; administrative offices; operations offices; lockers, restrooms and related facilities for its employees; baggage, cargo and mail handling and storage facilities and equipment;

S. to enplane and deplane passengers, handle reservations. ticketing, billing and manifesting of passengers, and handle baggage, express mail and shipments, cargo, property and mail, in Airline's exclusively, preferentially and jointly Leased Premises and its assigned aircraft parking positions, by Airline's employees or by self-service equipment operated by customers or passengers of Airline;

T. to install, construct, maintain, operate and use an in-flight kitchen at the Airport at a site with reasonable access to the Terminal Ramp Area and which shall be mutually agreed upon by the Authority and Airline, subject, however, to the payment by Airline to the Authority of the prevailing ground rent for such site and the execution of a long-term ground lease containing such reasonable terms and conditions as the Authority and Airline shall mutually agree upon; and

U. to conduct such other related operations as are reasonably necessary, incidental to or connected with Airline's air transportation business at the Airport.

MCO

Excerpt from MCO Agreement:

ARTICLE II-ASSIGNMENT OF PREMISES,
<u>USE OF AIRPORT AND RIGHTS OF AIRLINES</u>

2.01 <u>Use of Airport.</u> Airline, its employees, passengers, guests, patrons and invitees shall have the right to use (in common with other duly authorized users) of Airport and appurtenances, together with all

facilities, improvements, equipment and services which have been or may hereafter be provided for common use at or in connection with Airport, subject to reasonable rules and regulations promulgated in accordance with the provisions of Article XIX.

1.8 Privileges Granted

2.02 Specific Rights at Airport. Airline shall have the right, in addition to all rights elsewhere granted in this Agreement, to use Airport for the following purposes:

MCO

A. The operation of a transportation system by aircraft for the carriage of person, property and mail, including all activities reasonably necessary to such operation (hereinafter referred to as "Air Transportation");

B. The landing, taking off, flying over, taxiing, pushing, towing loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing and testing of aircraft or other equipment, of or operated by Airline, or other certificated air transportation companies with which there is an applicable Agreement, including the right to provide or handle all or part of such companies' operations or services.

C. The sale of tickets, documentation of shipments, handling or reservations, and the loading and unloading of person, property and mail at Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its air transportation system; provided, however, that ground transportation commercial carrier regularly transporting persons or their baggage to and from Airport shall first hold a valid lease, license or other agreement with Authority for the right to carry person or their baggage to and from Airport and shall pay Authority such rentals, fees and/or percentages of the fares of such ground transportation commercial carrier fro such rights as Authority and such carrier may agree upon. Nothing contained herein shall prohibit Airline from contracting with a duly licensed and appropriately certificated ground transportation operator of its choice for the delivery of property or transportation of passengers and their bags when such transportation is at the sole expense of Airline, or Authority's designated carrier fails or refuses to render satisfactory services.

D. The training at Airport of persons and testing of aircraft and other equipment, such training and testing to be limited to that incidental to Airline's air transportation business at Airport. Flight training shall be undertaken by Airline only to the extent permitted by, and subject to the fees and conditions of Authority's rules and regulations applicable from time to time.

E. The purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage and other passenger supplies, and used by Airline from any person or company of Airline's choice, and the making of agreements with any person or company of Airline's choice for services to be performed for Airline which are incidental to operation of Airline's air transportation system.

1.8 Privileges Granted

F. The sale, disposal and exchange of Airline's aircraft, engines, accessories, fuel, oil, lubricants and other equipment, and materials or supplies, provided that such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform such transactions as incidental to the operation of its air transportation system.

MCO

G. The servicing Airline, its suppliers of materials or its furnishers of services, of aircraft of, or operated by Airline or other certificated air transportation companies with which Airline has an applicable agreement and other equipment by truck or otherwise, with fuel, oil, lubricants or other materials or supplies, at aircraft loading and unloading aprons and other locations designated by Authority for such servicing

Airline and Authority have entered into a Fuel System Lease Agreement of even date herewith for the construction and operation of the aircraft and hydrant fueling system described on Exhibit "D" attached hereto and made a part hereof.

H. The installation and operation of identifying signs on Airline's leased premises; the general type; design and location of all of such signs visible to the public to be subject to Authority approval.

I. The installation, maintenance and operation of such radio, communication, meteorological and aerial navigation equipment and facilities in, on and about the premises herein leased on Airport as may be necessary or convenient in the opinion of Airline for its operations; provided that the location of such equipment and facilities as might interfere with full and proper use of Airport shall be subject to Authority approval.

J. The rights and privileges granted Airline under this Article with respect to the performance of ground services and activities in connection with its air transportation operations at Airport may be exercised by Airline for an don behalf of any certificated carrier which is authorized to use Airport, or for and on behalf of Airline by any company or person designated by Airline,; provided, however, that no right is hereby conferred upon any supplier of services or furnishers of material (other

than Airline) regularly operating at Airport to perform services for any other air transportation company unless it holds a valid lease, license or other agreement with Authority authorizing it to furnish the material and/or perform the services in question, and pays to Authority an appropriate rental, fee and/or percentage of gross revenue derived as a result of any material furnished or services supplied to other than Airline.

1.8 Privileges Granted

It is understood that if Airline's suppliers, contractors and furnishers of services lease, for its or their exclusive use, any portion of Airport or facilities of Authority, then Authority may charge only reasonable rentals therefore (which rentals shall be based upon the use and occupancy of Authority's property for the Conduct of business therefrom and such rental shall not contain any increment of charge representing a surcharge upon such person, company, firm or corporation for the right to transact business with Airline on Airport). In addition thereto, Authority may levy a concession fee against contractors and suppliers of inflight food and beverage catering services to Airline at a rate not to exceed five percent (5%) of such contractor's gross annual sales to Airlines for use of delivery at Airport, and in addition thereto authority may charge contractors, and suppliers of inflight food and beverage service such percentages of contractor's gross annual sales, as may be mutually agreed upon between Authority and contractors and furnishers of services, to anyone other than Airline either on or off Airport.

MCO

BWI

Excerpt from BWI Agreement:

ARTICLE IV
<u>RIGHT OF AIRLINE</u>

A. The rights granted hereunder are in addition to all rights elsewhere granted in this BULA and related to the conduct of Airline's Air Transportation Business at the Airport. Airline shall have the right, at its own cost of expense, and in common with other so authorized by the Administration, to:

1. Operate an Air Transportation Business at the Airport, including all activities reasonably necessary for such operation.

2. Use facilities, equipment and improvements at the Airport for the operations of Airline's Air Transportation Business.

3. Land, take-off, load, unload, repair, maintain, conditions, service, park, and store aircraft or other equipment, in areas designated by the Administration; provided, however, that Airline shall not use Passenger Terminal Apron Areas to load or unload all-cargo aircraft unless otherwise

authorized in writing by the Administration; and further provided, however, that Airline shall not permit the use of the Airfield by any aircraft operated or controlled by Airline which exceeds the pavement design strength or capacity of the Airfield as described in the then-current FAA-approved Airport layout Plan (ALP) or other engineering evaluations performed subsequent to the current ALP, including the current Airport Certification Manual.

1.8 Privileges Granted

BWI

4. Erect or install and maintain on the Airport, at locations designated by the Administration, adequate storage facilities for gasoline, oil, greases, and other fuel or supplies, in accordance with a separate contract(s) with the Administration relating to such erection, installation or maintenance, and in accordance with insurance underwriter's standards, together with the necessary pipes, pumps, motors, filters and other appurtenances incidental to the use thereof, with such facilities and appurtenances to be and remain the severable property of Airline. Should Airline install and maintain such storage facilities, Airline agrees to pay rent for such area(s) to Administration as provided in said separate contract(s).

5. Sell tickets, document shipments, handle reservations, and load and unload person, property and mail at the Airport by motor vehicles or such other means of conveyance as Airline may desire or require in the operation of its Air Transportation Business, which means of conveyance is subject to the approval of the Administration.

6. Purchase, either on or off the Airport Airline's requirements of gasoline, fuel, lubricating oil, grease, food and other passenger supplies, and any other materials and supplies, from any person company of Airline's choice, and the right to make arrangement with any person or company of Airline's choice for work to be done for Airline, subject, however, to Administration's right to require such person or company to enter into a contract or secure a permit to conduct such business at the Airport and subject to such person's or company's compliance with federal and State security requirements.

7. Test aircraft and other equipment being utilized at the Airport in the operation of Airline's Air Transportation Business: provided, however, that said testing shall be incidental to use of the Airport in the operation by Airline of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to use the of same. Administration reserves the right to restrict or prohibit such testing operation which it deems to interfere with the use of the Airport, including excessive noise as reasonable determined by Administration.

8. Install and maintain identifying signs at the Airport, the general type, design and location of which shall be subject to the prior written approval of the Administration. The general type, design and location of such signs shall be compatible with and not detract from the pattern and décor of the Passenger Terminal.

1.8 Privileges Granted

BWI

9. Install, maintain and operate such electronic or electrical devices, radio, communication, meteorological and aerial navigation equipment and aerial navigation equipment and facilities in, on and about the Airport as may be necessary or convenient in the opinion of Airline for its operation; provided that the location and nature of such devices, equipment and facilities shall be subject to the prior written approval of the Administration and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by other entitle to use of same. Administration reserves the right to restrict or prohibit such electronic or electrical devices, radio, communication, meteorological and aerial navigation equipment and facilities which it reasonably deems with interfere with the use of the Airport.

10. Perform its own Ground Handling Services of its aircrafts and other equipment at the Airport at such locations as may be designated by the Administrating and in accordance with the Administration's Rules and Regulations and Tenant Directives and Tenant Information Advisories; provided, however, if Airline desires to have such services performed by a contractor, it shall employ a regular ramp contractor (by which is meant a contractor having a contract with the Administration to perform such services upon the ramp and apron space, aircraft parking positions, and/or other areas from aircraft operators) or Airline may notify Administration that it desires to use the services of a contractor not holding such a contract and Administration will allow such contractor to perform services, provided the contractor meets the Administration's requirement, including but not limited to federal and State security requirements, and will accept a contract from Administration upon the same terms and conditions as regular ramp contactors, except that at Administration's option, there may be omitted from such permit or contract any provisions requiring or permitting the contractor to serve others than Airline. Airline shall require any contractor it employs for Ground Handling Services and/or Fueling Services to furnish said services on reasonable, and not unjustly discriminatory basis to all users thereof and charge reasonable, and not unjustly discriminatory, prices for each unit or services, provide that the contractor may be allowed to make reasonable and nondiscriminatory discount, rebates, or other similar types of price reductions to volume purchases. Airline shall have the right to perform all Ground Handling Services and Fueling Services such as it is permitted to perform for itself under this BULA for any other Air Transportation Company operating at the Airport, subject to the prior written approval of the Administration.

11. Hire and train, on the Airport, personnel in the employ of, or to be employed by Airline or any other Air Transportation Company, provided that such right shall not be construed as authorizing the conduct of a separate business by Airline, but shall permit Airline to perform such functions as are incidental to the conduct of its Air Transportation Business.

1.8 Privileges Granted

12. Use by Airline, its officers, employees, agents subcontractors, invitees, and passengers (including persons calling for and delivering passengers) in common with others, of adequate and appropriate vehicular parking space. The use of such space is subject to such charges as are established by Administration.

BWI

13. Ingress to an egress from the Airport and Airline's Leasehold Areas for Airline's officers, employees, agents, subcontractors and invitees, including, but not limited to passengers, suppliers of materials, and furnishers of services aircraft equipment, vehicles, machinery and other property, Such right shall be subject to Federal Aviation Regulations (FAR) Part 107, 49 CFR Part 1542 and any successor regulations, applicable laws, and the Administration's right in accordance with applicable law to establish reasonable and not unjustly discriminatory Rules and Regulations and Tenant Directives and Tenant Information Advisories; provides, however, that any such Rules and Regulations and Tenant Directives and Tenant Information Advisories of Administration shall not unreasonable interfere with the operation of Airline's Air Transportation Business. Administration may at any time temporarily or permanently close, re-route, or consent or request the closing or request the closing or re-routing of any roadway, door, passageway or other access to the Airline's Leasehold Areas or the Airport, so long as a means of ingress and egress reasonable equivalent is concurrently made available to Airline. Airline hereby releases and discharges Administration from any and all claims, demands, or causes of action which Airline may now or at any time hereafter having arising or alleged to arise out of such closing or re-routing.

14. Subject to any restrictions in Administration's existing or future agreement(s) with its food and beverage services provider(s), (i) provide food and beverages or install or maintain vending machines in its non-public Exclusive Use Areas for the sole use of Airline's employees, subject to the prior written approval of the Administration, (ii) provided under a separate contract with Administration for its own flight kitchen, (iii) serve food or beverages to its passengers and crews for consumption aboard its aircraft, except that no such food or beverages may be sold by Airline in the Passenger Terminal or elsewhere at the Airport without the prior written consent of the Administration, or (iv) sell food and beverages in Airport's

"VIP room(s)' or similar private club(s) at the Airport for consumption only in such Leasehold Areas. Exhibit 17 describes the restrictions in the Administration's current agreement with its food and beverage service provider, which agreement is currently schedule to expire on December 31, 2003. Exhibit 17 will be updated to reflect any changes under any follow-on agreement(s) between the Administration and its food and beverage service provider(s).

1.8 Privileges Granted Obligations

15. Provide either alone or in conjunction with other Air Transportation Companies or through a sub-contractor, porter/skycap service for the convenience of the public.

BWI

16. use such rights of way as may reasonable be required by Airline for communications, computer equipment, teletype, telephone, interphone, conveyor systems and power, and other transmission lines in Airline's Exclusive Use Areas and Preferential-Use Boarding Facilities, subject to the Administration's prior written approval. Administration reserves the right to require the execution of a separate agreement between Administration and Airline for the lease and use of space and/or ground area outside the Passenger Terminal or, in the case of Airport-wide systems, e.g. public address or neutral wireless access, to provide such directly to Airline.

17. Install such personal property, including furniture furnishing, supplies, machinery, and equipment, in Airline's Passenger Terminal Premises as Airline may deem necessary, useful or prudent for the operation of its Air Transportation Business, subject to the Administration's prior written approval. Title to such personal property shall remain with Airline, subject to the provisions of this BULA.

18. Construct such modifications finishes, and improvements in its Passenger Terminal Premises, as Airline may deem necessary or prudent for the operation of its Air Transportation Business, subject to the Administration's prior written approval.

19. Enter into agreements providing for pay telephones or internet connectivity by the public in its airline club(s) and VIP room(s), if any; however, Airline shall not enter into any agreements providing for pay telephone or internet connectivity for the public anywhere else in the Passenger Terminal. Airline may not install cash machines (ATMs) or vending machines, sell merchandise or operate any other sort of retail business in its airline club(s) and VIP room(s) at the Airport without the prior written approval of the Administration except as specifically authorized herein.

B. The rights and privileges granted to Airline pursuant to this Article IV may be exercised on behalf of Airline by other Signatory

Airlines or contractors authorized by Administration to provide such services at the Airport, subject to the prior written approval of Administration and further subject to all laws, rules, regulations, Tenant Directives, Tenant Information Advisories, fees and charges as may be applicable to the activities undertaken.

1.8 Privileges Granted

C. Airline may exercise on behalf of any other Air Transportation Company of any of the rights granted Airline herein, so long as Airline is currently exercising those same rights in the operation of Airline's own Air Transportation Business at the Airport, subject to the prior written approval of Administration and further subject to all laws, rules, regulations, Tenant Directives, Tenant Information Advisories, fees and charges as may be applicable to the activities undertaken.

BWI

D. Nothing in this Article IV shall be construed as authorizing Airline to conduct any business separate and apart from the conduct of its Air Transportation Business.

E. The rights and privileges granted Airline pursuant to this Article IV shall be subject to any and all reasonable and not unjustly discriminatory Rules and Regulations Tenant Directives and Tenant Information Advisories established by Administration, as may be amended from time to time

F. *Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this BULA are hereby reserved for and to the Administration.*

1.9 Defined Obligations

1.9 Defined Obligations

Excerpts from PIT Agreement:

PIT

ARTICLE 12

OBLIGATIONS OF THE AUTHORITY

<u>Section 12.01—Operation and Maintenance</u>

A. The Authority shall operate and maintain the Airport System in a prudent and economical manner and shall keep the Airport system in good condition and repair, the Authority shall, in accordance with Exhibit P, operate, maintain and make all necessary repairs and replacements to all parts of the Airport, except as specifically excepted by Section 13.01, and shall be responsible for all roof maintenance and all structural maintenance

and the maintenance of the heating, ventilating and air conditioning systems, the electrical system up to and including the changing of ballasts and bulbs and the plumbing and sewerage systems. The Authority also shall maintain and make all necessary repairs and replacements to the filed, ramp and roadways, including the Terminal Ramp Area and the Authority shall be responsible for sweeping and removing debris from the Terminal Ramp Area.

1.9 Defined Obligations

B. The Authority shall cause gas, electricity, air conditioning, heat sewerage and water to be supplied to Airline's Leased Premises and to such public areas of the Airport as many required the same, including ground power, heat and air conditioning to Airline's assigned aircraft parking positions by means of existing outlets, lines, ducts and pipelines. The Authority may charge Airline separately for the Authority's costs of any utility requirements or used resulting from special demands of Airline or for special utilization of equipment, including, but not limited to, ground power and condition air, and may require Airline to have meters Installed in these instances to measure Airline's consumption. All such charges shall be applied to all airlines on a uniform basis.

PIT

C. The Authority shall be responsible for the removal of snow and ice from runways and taxiways. Subject to the Authority's other priorities and to be available of labor and equipment, the Authority shall also be responsible for the removal of snow and ice from the Terminal Ramp Area. Airline recognizes and understands, however, that the Authority has higher snow and ice removal priorities, and that the Authority will not always be able to accomplish such snow and ice removal in the Terminal Ramp Area. It is agreed and understood that Airline may, at its option and at its own expense, from time to time at any time, undertake snow and ice removal from its aircraft parking position in the Terminal Ramp Area and any necessary Terminal Ramp Area to provide access tot the airfield for its aircraft.

D. Airline may, from time to time, request the Authority to perform any given maintenance, replacement or repair work for which Airline is responsible pursuant to Section 13.01, or any alterations authorized pursuant to Section 13.02. The Authority shall be under no obligation to perform any such services; however, if the Authority does perform any such services it shall do so on a work-order basis, and shall invoice Airline therefore in an amount equal to the Authority's cost of providing such services, which cost shall include all Authority direct and indirect cost including but not limited to all fringe and overhead rates. Nothing in this paragraph D is intended or shall be construed to obligate Airline to use the services of the Authority personnel for the performance of any maintenance, replacement or repair work for which Airline is

responsible pursuant to Section 13.01, or any alterations authorized pursuant to Section 13.02.

Section 12.02–Security Services

1.9 Defined Obligations

The Authority shall provide such law enforcement officers and such support personnel, facilities, services and equipment, in such members at such times and at such locations which are at a minimum necessary for the Authority's compliance with the requirements of current Federal Aviation Regulations or any successor regulations thereto. The costs of providing such officers, support personnel facilities, services and equipment shall be allocated among Direct Cost Center in accordance with Exhibit I.

PIT

Section 12.03—Maximization of Concession Revenues

The Authority shall use its best efforts to operate the Airport and lease space to concessionaires so as to maximize concession revenues, consistent with reasonable charges and services to the public, in accordance with a written Concession Policy the current form of which is attached hereto as Exhibit Q. The same may be revised from time to time by the Authority with the approval of a Majority-in-Interest

Section 12.04–Compliance by Other Tenants

The Authority shall use its best efforts to obtain uniform compliance by all tenants with its applicable Rules and Regulations. However, the Authority shall not be liable to Airline for any violation or non-observance of such Rules and Regulations by any tenant, concessionaire or other person at the Airport.

Section 12.05—Charges to Non-Signatory Airlines

A. Except with respect to landing fees for schedule air cargo carrier and fees and charges for the use of the International Facilities, Commuter ramp and the Commuter Terminal, the Authority shall charge all Non-Signatory Airlines which use the Airport, fees and charges for the use of the Landing Area, the Terminal Complex Area, the Terminal Ramp Area, aircraft support system, tenant equipment and apron-level space at rates which are in each case not less than one hundred twenty percent (120%) of the rates charged by the Authority to the Signatory Airlines. The Authority may calculate such rates and charges on a compensatory basis, but in no event shall such rates and charges be less than one hundred twenty percent (120%) of such rates charged by the Authority to the Signatory Airlines.

B. The Authority shall charge scheduled air cargo carriers which use the Airport landing fees in accordance with the methodology set forth in Exhibit L.

1.9 Defined Obligations

C. *The costs and revenues associated with the International Facilities, the Commuter Terminal and the Commuter ramp shall be included in the calculation of the net cost of the Terminal Complex Area pursuant to Section 9.04 and in the calculation of the net cost of the Terminal ramp Area pursuant to Section 9.03. The Authority shall charge: (1) the users of the Commuter Ramp and the Commuter Terminal who have signed an agreement with the Authority governing the operation and use of such facilities, fees and charges calculated In accordance with the methodology described by example in Exhibit L: (2) the users of the Commuter Ramp and the Commuter Terminal who have not signed an agreement with the Authority governing the operation and use of such facilities, fees and charges of no less than one hundred twenty percent (120%) of those fees and charges calculated in accordance with the methodology described by example in Exhibit l, and (3) the users of the International Facilities, fees and charges calculated in accordance with the methodology described by example in Exhibit L.*

PIT

MWAA

Excerpts from MWAA Agreement:

7.02 <u>Airline Responsibilities – General.</u> The Airline shall perform custodial ground and interior maintenance, including janitorial services, to the non-public areas of its Premises as specified in Exhibits hereto, and such other operations and maintenance responsibilities as specified herein or by separate written agreement with the Authority, including the Surviving Agreements. In addition, the Airline shall be responsible for operation and maintenance of all installed Airline Operating Facilities located within its Premises.

7.02.1 The Airline shall supervise, or cause to be supervised, all persons lawfully present on its Premises, including, but no limited to, its enplaning and Deplaning Passengers on the loading bridges, person traveling on Passenger Conveyances directly to or from the Airline's aircraft, person traveling on buses or similar vehicles operated by the Airline, and on all paths, walkways, and Ramp Areas used by the passengers to move between the Terminal and/or Passenger Conveyances, and the Airline's aircraft.

7.02.2 The Airline shall operate, maintain, and repair, it its own expense: (i) any loading bridges and ground power/preconditioned air units located at its assigned Aircraft Parking Positions, and (ii) any outbound baggage makeup conveyor system located on its Premises,

whether or not title to such bridges, ground power/preconditioned air units, or baggage conveyors rest with Airline or the Authority; provided, however, the Authority retains the right to assume responsibility for operation, maintenance, and repair of and Equipment upon thirty (3) days prior written notice to the Airline, and provided, further, that nothing herein shall relieve the Airline of the obligation to pay Equipment Charges for any Equipment, as set forth in Section 8.05 and Exhibits N-H and D-H.

1.9 Defined Obligations

7.02.3 Except as authorized in writing by the Authority, or except in an emergency, the Landing Area of the Airport shall not be used by any of the Airline's aircraft which exceed the design strength of the Landing Area as describe in the then current FAA-approved Airport layout Plan. In addition, the Authority may prohibit or restrict the use of the Ramp Area by any aircraft the wheel loading of which exceeds the design strengths of the pavement as determined by the Authority.

MWAA

7.02.4 The Airline shall together with all other Signatory Airlines, operate, maintain and repair the triturator at each Airport through a common agent of and selected by the Signatory Airline; provided, however, there shall be no more than one such agent at each Airport, and that such agent shall be subject to the approval of the Authority.

7.03 <u>Additional Airline Responsibilities at National.</u>

7.03.1 At National, the Airline shall be responsible for custodial grounds maintenance, including removal of snow, ice, vegetation, stones, fuel, oil, grease, debris, and all other foreign matter from the Ramp Areas and equipment storage areas, including passenger walkways and Aircraft Parking Positions, and cargo handling areas at its Premised, from the exterior face to the Terminal to the nearest edge of the Airfield's vehicle, as depicted in Exhibit N-B.

7.03.2 The Airline shall assume Pavement Structural Maintenance responsibilities for its Aircraft Parking Positions if the Airline (10 improperly parks aircraft on an Aircraft Parking Position pad, or (ii) fails to perform the custodial ground maintenance responsibilities required by Paragraph7.03.1 and , in the Authority's determination, any of these events is sufficient to cause damage to the Aircraft Parking Position . The Authority shall provide the Airline with written notice when it determines that nay of these events is sufficient to cause damage to the Aircraft Parking Position. In the event, the cost of performing any pavement Structural Maintenance for those Aircraft Parking Position (s) shall become payable by the Airline, without reimbursement.

7.03.3 If the Airline desires to park heavier or larger aircraft on an Aircraft Parking Position than the Aircraft Parking Position was

1.9
Defined Obligations

MWAA

designed to accommodate, it shall, prior to such use and subject to the approval of the Authority, at its own cost and expense, improve the Aircraft Parking Position so that it meets the Authority's standard for such aircraft. In the event, the Airline shall be entitled to reimbursement from the Authority for these improvements at such time as, and to the extent that, the Authority has funds available for such purpose.

7.04 Additional Airline Responsibilities at Dulles.

7.04.1 The Airline shall be responsible for custodial grounds maintenance, including removal of snow, ice vegetation, stones, fuel, oil, grease, debris, and all other foreign matter from the following Ramp Areas and equipment storage areas at its Premises;

(i) If the Airline has Premises in the Existing Midfield Terminal or Airside Operations Building on the Dulles Jet Apron, the Airline shall perform custodial grounds maintenance for the Dulles jet Apron out from the exterior wall of said Premises to the sought edge of the vehicle roadway on the north side of the Dulles Jet Apron, and out to the north edge of the vehicle roadway to the south, as depicted Exhibit D-B.

(ii) If the Airline's Premises include any of the space in the Base-of-the Tower Facilities, the Airline shall perform custodial grounds maintenance for the Ramp Area from the south exterior wall of said Premised to thee north edge of the vehicle roadway, as depicted in Exhibit D-B.

7.04.2 If the Airline desires to park heavier or large aircraft on the Aircraft Parking Position than the Aircraft Parking Position was designed to accommodate, it shall, prior to such use and subject to the approval of the Authority, at its own cost and expense, improve the Aircraft Parking Position so that it meets the Authority's standard fro such aircraft. In the event, the Airline shall be entitled to reimbursement from the Authority for these improvements as such time as, and to the extent that, the Authority has funds available for such purpose. In no event shall the Airline park any aircraft with a fuselage longer than one hundred twenty (120) feet at the Base-of-the-Tower Facilities.

7.04.3 The Airline shall provide and maintain at its expense, the telecommunications system between the Airline and the mobile lounge controllers. The Airline will cooperate with the Authority in its operation of the flight information and mobile lounge dispatch communications system by furnishing necessary information to the Authority's controller through said system.

7.05 If the Airline fail to perform its maintenance obligations hereunder, or as specified in Exhibits N-D and D-D, or if the negligence or willful misconduct of the Airline causes additional maintenance obligations for the Authority, the Authority, shall have the right but shall not be required, to perform such maintenance, and to charge the Airline therefore; provided, however, the Authority shall give to the Airline reasonable advance written notice of non-compliance and the Authority's intent to enter upon the Premises prior to the exercise of this right.

1.10 Maintenance, Repair and Janitorial

1.10 Maintenance, Repair and Janitorial

AUS

Excerpt from AUS Agreement:

ARTICLE III – LESSOR TO MAINTAIN AND OPERATE AIRPORT

A. Throughout the term of this Agreement, Lessor shall operate, maintain, manage and control the Airport in a first class, efficient, economical and businesslike manner. Such operation, maintenance, management and control shall substantially comply with all pertinent requirements of the Federal Aviation Administration, or its successor in duties related thereto, and shall include the adequate and proper operation and maintenance of the land, runways, taxiways (including keeping runways, taxiways and public ramp areas reasonably free and clear of foreign objects that may be harmful to aircraft and aircraft engines), navigation aids, lighting, equipment, entrances, exits, roads, parking areas and all other public facilities and appurtenances within the boundaries of the Airport.

B. Airline shall operate and maintain at its own expense its exclusive and preferential leased conditioned and unconditioned space o the apron level of the Terminal Building, specifically including the operation and maintenance costs of all outbound baggage systems but excluding common use baggage claim devices.

C. Consistent with good business practices, Lessor agrees to use its best efforts to obtain the maximum amount of grants and participating funds for the Airport from the United State of America (or any agency thereof) and the State of Texas (or any agency thereof).

D. Lessor agrees to use its best efforts to maximize net concession revenue and ancillary income in a prudent manner, in order to help defray the costs and expenses of the Airport.

E. Lessor agrees to sue generally accepted accounting principles, consistently applied.

Excerpts from BWI Agreement:

1.10 Maintenance, Repair and Janitorial

ARTICLE XIV

<u>OBLIGATIONS OF AIRLINE</u>

BWI

A. Airline shall not knowingly interfere or permit interference with the use, operations, or maintenance of the Airport including but not limited to the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical, security or other systems installed or located from time to time at the Airport; and Airline shall not engage in any activity prohibited by the Administration's Rules and Regulations or Tenant Directives or Tenant Information Advisories, as amended or supplemented from time to time.

B. As soon as possible after release from proper authorities, Airline shall move any of its disabled aircraft to such Aircraft Parking and Storage Areas as may be reasonably designated by the Administration, and shall store such disabled aircraft only upon such terms and conditions as may be reasonably established by Administration; provided, however, and subject to procedures and reimbursements set forth in Article XVII.C.6. of this BULA, Airline shall be requested to remove such disabled aircraft from its Preferential-Use Boarding Facilities only if deemed necessary due to congestion of aircraft upon said area, the urgency for making space available for other aircraft, snow removal or other operational requirements. In the event that Airline shall fail to remove any of its disabled aircraft as expeditiously as possible after release by proper authorities and after Administration's request that such aircraft be removed for a reason set forth above, Administration may, without any liability of Administration to Airline, cause the removal of such disabled aircraft, whereupon Airline shall pay to Administration (1) cost thereof incurred by Administration plus a twenty-five (25%) administrative fee, or (2) double the towing reimbursement fee set forth in BWI Tenant Directive 401.1 (Exhibit 10), whichever is greater. In such case, Airline also agrees that if Administration moves Airline's aircraft 91) any claim for compensation against Administration and any of its officers, agents, employees, contractors or representatives for any loss or damages sustained to any such disabled aircraft, or any part thereof, by reason of such removal is waive, and (2) Airline shall indemnify Administration and its officers, agents, employees, contractors and representatives against all liability arising out of such removal of said aircraft.

1.10 Maintenance, Repair and Janitorial

C. Airline shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions or any part there of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Contract. If Airline does or permits to be done any act not permitted under this Contract, or fails to do any act required under this Contact, regardless of whether such act shall constitute a breach of this Contract, which act or failure, in and of itself, causes an increase in Administration's insurance premiums Airline shall immediately remedy such actions and pay the increase in premiums, plus a twenty-five percent (25%) administrative fee, upon prior written notice from Administration to do so.

BWI

D. The use of Boarding Device by Airlines shall be subject to the following terms and conditions:

1. The Boarding Devices may be operated by employees of Airline but not such employees shall be permitted to operate the Boarding Devices until they have satisfactorily completed of course of instruction conducted by Administration or its designated representative(s) in the proper use and operation of the Boarding Devices, and have received a certificate from Administration or its designated representative(s) qualifying them to operate the Boarding Devices.

2. Airline shall b solely responsible for any and all damages, claims or injuries which may be caused by operation of the Boarding Devices by its employees, agents, or representative

E. Airline shall not maintain or operate in the Passenger Terminal or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food and beverages to the public or to Airline's employees and passengers, except as may be permitted under Article IV.A.14. of this BULA

F. Airline shall, at all times. Preserve, maintain and keep its Passenger Terminal Premises in an orderly, clean, neat and sanitary condition, free from fuel oil, trash debris and other foreign objects resulting from Airline's operations, provided, however, this requirement shall not be construed to mean Airline shall have maintenance, cleaning and operational responsibilities designated to be those of Administration pursuant to Exhibit 18 of this BULA.

G. Airline shall operate and maintain at its own expense any improvements and/or equipment installed by Airline in its Passenger Terminal Premises, in addition to its other responsibilities for maintenance, cleaning and operation as set forth in Exhibit 18 of this BULA.

1.10 Maintenance, Repair and Janitorial

H. Airline shall, at all times, use reasonable efforts to conduct all aspect of its Air Transportation Business, including but not limited to, (1) management of passenger check in-in lines, (2) accurate and timely input of flight information into the Administration's systems, e.g. multi-use flight information display system (MUFIDS), and baggage information display system (BIDS), (3) written notification at least sixty (60) days in advance to the Administration of planned schedule change, including but not limited to equipment changes, flight times, and number of flights, (4) prompt notification to the Administration of system disruptions and operational or equipment changes that will impact the Administration or the Airport and (5) skycap services.

BWI

I. Airline shall keep all of its furniture, carpeting and other equipment or belongings in its Passenger Terminal Premised that are accessible to the public in a neat clean and presentable appearance, as determined by the Administration, at all times. Any such furniture, carpeting equipment or belongings that are broken or damaged must be repaired or removed expeditiously.

J. Airline shall develop a universal notification procedure to advise the Administration and other Air Transportation Companies when its Preferential-Use Boarding Facilities are available for sublease, and shall establish fair and transparent bidding or negotiating procedures related thereto.

K. Airline shall not do or permit its agents or employees to do any act or thin upon Airport that will be in conflict with or violate the requirements of the FAA's Federal Aviation Regulations regarding Airport Security or any successor document, or the Administration's FAA approved security plan for the airport. Any fines and/or penalties levied against the Administration of or security violations at the Airport caused by Airline or any of its employees, agents, contractors, or suppliers not directly licensed by Administration while on the Airport for Airline's business, shall be immediately due and payable to the Administration by Airline.

L. Any work by Airline and its contractors shall be conducted in an orderly and proper manner, and shall not otherwise annoy, disturb, create a hazard, or be offensive to others at the Airport, or interfere with other projects on, or the operations of, the Airport. Airline shall promptly comply, and shall cause its contractors to comply, with any reasonable request from the Administration to correct the demeanor or conduct of the contractors. In the event Airline or its contractors fail to so comply, the Administration shall have the right to stop any or work being performed, until such compliance is achieved, without terminating this BULA.

M. In addition to any other rights and remedies provided to Administration herein, Administration may, without liability of Administration to Airline, perform any obligations of Airline set forth herein which Airline has reasonably failed to perform in a timely manner, after reasonable notice, in which case Airline shall pay to Administration, upon receipt of invoice, the Administration's costs incurred therefor, plus twenty-five percent (25%) administrative fee, unless a different payment requirement is stated in this BULA.

1.10 Maintenance, Repair and Janitorial

MCO

Excerpts from MCO Agreement:

ARCTICLE VI – MAINTENANCE AND OPERATION OF AIRPORT.

*6.01 **In General.** Authority agrees that it will with reasonable diligence prudently develop, improve, and at all times maintain and operate Airport with adequate, efficient and qualified personnel and keep Airport in good repair including, without limitation, the Terminal, Landing Area, and all appurtenances, facilities and services now or hereafter connected therewith as the same related to Airline's air transportation system, will keep Airport and its aerial approached free from obstruction and interference for the safe and proper use thereof by Airline; and will develop, maintain and operate Airport in all respects in a manner a least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of Authority. Responsibility for maintenance, cleaning and operation of facilities shall be as set forth in Exhibit "F."*

*6.02 **Terminal.***

A. Authority shall operate and maintain and keep in good condition and repair Terminal and all additions, improvements, facilities and equipment now or hereafter provided by Authority at or in connection with Terminal (except any passenger loading bridges and other tenant finish items for which Airline is obligate to pay a Tenant Finish Surcharge or a Airport Finance Surcharge pursuant to Section 7.05 below any improvements, facilities and equipment constructed or installed by Airline, all of which shall be operated, maintained and kept in good condition and repair by Airline). Authority shall keep Terminal, except Airline's Exclusively Assigned Premises, in a neat, orderly, sanitary and presentable condition.

B. Authority shall at all times maintain the public area of the Terminal so as to provide for reasonably unobstructed use thereof by passengers and invitees, and shall keep such area adequately supplied, equipped (including directional signs), furnished and decorated.

1.10 Maintenance, Repair and Janitorial

C. Authority shall supply or cause to be supplied appropriate and adequate equipment and maintenance for air condition or ventilation, heat, water and sewerage facilities for Terminal Common Use Area, Airline's Exclusively Assigned Premises and Joint Use Premises and Airline's Non-Exclusively Assigned Premises; adequate illumination in Common Use Areas; and adequate ventilation for removal of exhaust fumes in the tug passageway; and janitor service in Non-Exclusively Assigned Premises (including baggage claim area), Join Use Premises, Terminal Common Use Areas and tug passageway.

MCO

D. It is expressly understood that Airline will at all times keep its Exclusively Assigned Premised neat, orderly, sanitary and presentable. Airline shall furnish its own janitor service in its Exclusively Assigned Premises (excluding the baggage claim area); and shall cause to be removed, at Airline's own expense, from such spaces all waste, garbage and rubbish and agrees not to deposit the same on any part of Airport, except that Airline may deposit same temporarily in its Exclusively Assigned Premised or in space designed by Authority in connection with collection for removal.

E. Airline may provide such porter and assistance services as it, in its sole discretion, may deem necessary for the convenience of it passengers in and adjacent to the ticketing lobby and baggage claim areas of Terminal.

*6.03 **Passenger Transfer System**. It expressly understood that Authority will be solely responsible for the safe operation, day and night, of the passenger transfer system; with adequate service to Airline, its passengers employees and invitees; will maintain, and repair the passenger transfer system and will keep the passenger transfer system in a clean, neat and orderly condition at all times and shall impose no charge against Airline's passengers, employees or invitees for providing such service without MII approval.*

*6.04 **Concession Policy.***

Authority has adopted a Concession Policy which requires Authority ordinarily to take competitive bids or proposals for non-aeronautical concessions and consumer service privileges in the terminal exceeding one year and to award each such contract to the qualified, responsible bidder or proposer whose bid or proposal shall be in the best interests of the Authority. Authority may amend the Concession Policy from time to time, provided however, that any amendments that change the manner of awarding a concession shall require MII approval.

1.10 Maintenance, Repair and Janitorial

MWAA

Excerpt from MWAA Agreement:

ARTICLE 7 – OPERATION AND MAINTENANCE

7.01 Authority Responsibilities.

7.01.1 The Authority shall, with reasonable diligence and prudence, operate and maintain the Airports with adequate, efficient, qualified personnel, and keep the Airports in good condition and repair, including the Terminals, Ramp Area, existing and New Midfield Concourses, Airport Operations Buildings and any Passenger Conveyances between Existing and New Midfield Concourses or between aircraft and terminals and the visual public display of arrival and departure flight information for the Dulles Main Terminal.

7.01.02 The Authority shall, with reasonable diligence and prudence, act to maintain the Landing Area for the safe and proper use thereof by the Airline, including the clearing and removal of snow from the runways and taxiways as quickly as reasonably practicable,

7.01.03 The Authority will operate and maintain the Airports in a manner at lease equal to the standards established by the FAA to maintain the Airport Operating Certificates and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of the Authority.

7.01.04 The Authority shall not be liable to the Airline for temporary failure to furnish all or any services to be provided by the Authority hereunder, whether due to mechanical breakdown or for any other caused beyond the reasonable control or the Authority.

7.01.05 The Authority's operation and maintenance responsibilities are set forth in Exhibits D-D and N-D, except that Airline and the Authority may agree to a different allocation of maintenance responsibility in Exhibits N-B and D-B (leasehold exhibits) in which event any conflict between Exhibits D-D and N-B and D-B and N-b shall be resolved in accordance with Exhibits D-B and N-B. Further, and excepts as may be provided in Exhibits D-B and N-B, the Authority shall not be obligated to perform the operation and maintenance responsibilities designed by Section 7.02 and Exhibits N-D and D-D as being the responsibility of the Airline, or for which the Airline, another Signatory Airline, or any other person has assumed such responsibility by separate written agreement with the Authority, including a Surviving Agreement.

7.01.06 The Authority shall provide, operate, and maintain the Passenger Conveyances at Dulles, including a sufficient number of trained

1.10 Maintenance, Repair and Janitorial

MWAA

personnel. The Authority shall provide adequate Passenger Conveyances for the transportation of the passengers between the Main Terminal and the Airline's aircraft that are parked on remote hard stand or on the Dulles Jet Apron at a parking position that is not serviced by a passenger hold room and loading bridge. The Airline shall determine who boards Passenger Conveyances traveling between the Dulles Main Terminal and its aircraft directly. On Passenger Conveyances serving aircraft directly, passengers enplaning or deplaning for more than one aircraft operation shall not be combines in a single one-way trip. Except in any emergency, the Authority shall not be obligated to provide transportation directly the Terminal and the Airline's aircraft which is, or in the reasonable judgment of the Authority of the Authority can be, parked at an Aircraft Parking Position at the Existing Midfield Concourse or New Midfield Concourse 9s0 and served by a passenger holdroom and a loading bridge. If the Passenger Conveyance has departed directly for the Airline's aircraft before all of the Airline's passengers have boarded it, the Airline may transport it passenger to or from its aircraft by another means subject to the Authority approval.

7.01.07 The Authority and the Airline recognize that regular, shuttle-type mobile lounge service of high quality is important for the proper transportation of passengers to and from Existing Midfield Concourse. The Authority agrees:

(i) To use its reasonable best efforts to provide mobile lounge service from the Dulles Main Terminal to the Existing Midfield Concourse beginning one hours before any Airline first departure from the Existing Midfield Concourse and will continue to operate on a regular assist until a half hour after the last schedule flight arrives, even if that flight is later than its schedule arrival.

(ii) To use its reasonable best efforts so that (a) after a mobile lounge departs from a terminus another takes its place as soon a practicable, and (b) regardless of the number of passengers carried, mobile lounges depart to the terminus after waiting no more than five minutes for boarding passengers; provided that a lounge may remain at one or each terminus for a longer period of no passengers of a Signatory Airline are waiting service for transportation.

An adequate number of gates at the Dulles Main Terminal will be designated as the gate from which the mobile lounges to the Existing Midfield Concourse will operate. The Authority reserves the right to designate different or additional.

1.10 Maintenance, Repair and Janitorial

PDX

Excerpt from PDX Agreement:

AIRLINE PREFERENTIAL SPACE

		Hold - rooms	Aircraft Apron	Loading Bridges[1]	Conveyors
1.	Heating/Air Conditioning[1]				
	a. Maintenance	P	N/A	P	P
	b. Operation	P	N/A	A	A
	c. Air Distribution	P	N/A	N/A	N/A
	d. Utility Expense	N/A	N/A	N/A	N/A
2.	Electrical System				
	a. Bulb/Tube Replacement	P	P	P	N/A
	b. Distribution[7]	P	P	P	P
	c. Utility Expense	N/A	N/A	N/A	N/A
3.	Water System				
	a. Distribution/backflow testing[8]	N/A	N/A	N/A	N/A
	b. Fixtures	N/A	N/A	N/A	N/A
	c. Potable Water Cabinets	N/A	P	P	N/A
	d. Utility Expense	N/A	N/A	N/A	N/A
	e. Water heater[3]	N/A	N/A	N/A	N/A
4.	Facility				
	a. Structure	P	P	P	P
	b. Exterior	P	P	P	N/A
	c. Weight scales	N/A	N/A	N/A	N/A
	d. Keys/locks[6]	A	A	P	P
5.	Fire System				
	a. Sprinklers/testing	P	N/A	N/A	N/A
	b. Alarm/Detection/testing	P	N/A	P	N/A
	c. Extinguishers	P	[4]	P	N/A
	d. Alterations due to tenant construction	A	A	N/A	N/A
6.	Sewage & Plumbing				
	a. Distribution[8]	P	P	N/A	N/A
	b. Fixtures	A	N/A	N/A	N/A
	d. Utility Expense	N/A	N/A	N/A	N/A
7.	Public Address System	A	N/A	P	N/A
8.	Janitorial Service	A	A	A	A
9.	Window Cleaning				
	a. Exterior	P	N/A	A	N/A
	b. Interior	A	N/A	A	N/A
10.	Snow & Ice Removal	N/A	[2]	N/A	N/A
11.	Apron Sweeping	N/A	[3]	N/A	N/A

LEGEND: A = Airline P = Port of Portland N/A = Not Applicable

Note: Any maintenance responsibilities not specifically listed in this matrix are the responsibility of the Airline, unless the Port states in writing that it is the responsibility of the Port.

[1] Maintenance applies to Port owned equipment only, including loading bridge bag slides.
[2] Apron snow and ice removal is a joint responsibility. The Port will provide truck mounted removal. The airlines are responsible for areas adjacent to the concourses.
[3] Apron sweeping is a joint responsibility. The Port will provide truck power sweeping of all aprons. The airlines are responsible for detailed cleaning adjacent to the concourses.
[4] The airlines are responsible for fire extinguishers on the Aircraft Apron that are red in color; the Port is responsible for fire extinguishers on the Aircraft Apron that are yellow in color.
[6] All keys and locks are provided by the Port. Tenant keys and locks are not allowed, except for individual locks such as padlocks for lockers.
[7] Distribution means electrical systems up to and including the main breaker.
[8] Distribution for water and sewage systems means up to the point either system enters the interior of the leased space.

Exhibit D

PORT AND AIRLINE MAINTENANCE RESPONSIBILITIES **Page ____ of ____**

1.10 Maintenance, Repair and Janitorial

PDX

AIRLINE EXCLUSIVE AND SHARED SPACE

	Ticket Counter	Ticket Office	Private Passenger Lounge	Upper Levels Operations Space	Lower Level Operations Space	Baggage Make-up
1. Heating/Air Conditioning[1]						
a. Maintenance	P	P	P	P	P	P
b. Operation	P	P	P	P	P	P
c. Air Distribution	P	P	P	P	P	P
d. Utility Expense	N/A	N/A	N/A	N/A	N/A	N/A
2. Electrical System						
a. Bulb/Tube Replacement	P	A	A	A	A	A
b. Distribution[7]	P	P	P	P	P	P
c. Utility Expense	N/A	N/A	N/A	N/A	N/A	N/A
3. Water System						
a. Distribution/backflow testing[8]	P	P	P	P	P	P
b. Fixtures	A	A	A	A	A	A
c. Potable Water Cabinets	N/A	N/A	N/A	N/A	N/A	N/A
d. Utility Expense	N/A	N/A	N/A	N/A	N/A	N/A
e. Water heaters[1]	A	A	A	A	A	A
4. Facility						
a. Structure	P	P	P	P	P	P
b. Exterior	P	P	P	P	P	P
c. Weight scales	A	N/A	N/A	N/A	N/A	N/A
d. Keys/locks[6]	A	A	A	A	A	A
5. Fire System						
a. Sprinklers/testing	P	P	P	P	P	P
b. Alarm/Detection/testing	P	P	P	P	P	P
c. Extinguishers	A	A	A	A	A	A
d. Alterations due to tenant construction	A	A	A	A	A	A
6. Sewage & Plumbing						
a. Distribution[8]	P	P	P	P	P	P
b. Fixtures	A	A	A	A	A	A
c. Utility Expense	N/A	N/A	N/A	N/A	N/A	N/A
7. Public Address System	N/A	N/A	A	A	A	A
8. Janitorial Service	A	A	A	A	A	A
9. Window Cleaning						
a. Exterior	N/A	N/A	P	P	P	P
b. Interior	N/A	A	A	A	A	A
10. Snow & Ice Removal	N/A	N/A	N/A	N/A	[2]	[2]
11. Apron Sweeping	N/A	N/A	N/A	N/A	N/A	N/A

LEGEND: A = Airline P = Port of Portland N/A = Not Applicable

Note: Any maintenance responsibilities not specifically listed in this matrix are the responsibility of the Airline, unless the Port states in writing that it is the responsibility of the Port.

[1] Maintenance applies to Port owned equipment only, including loading bridge bag slides.
[2] Apron snow and ice removal is a joint responsibility. The Port will provide truck mounted removal. The airlines are responsible for areas adjacent to the concourses.
[6] All keys and locks are provided by the Port. Tenant keys and locks are not allowed, except for individual locks such as padlocks for lockers.
[7] Distribution means electrical systems up to and including the main breaker.
[8] Distribution for water and sewage systems means up to the point either system enters the interior of the leased space.

Exhibit D

PORT AND AIRLINE MAINTENANCE RESPONSIBILITIES **Page ____ of ____**

1.10 Maintenance, Repair and Janitorial

PDX

SECURITY AREAS[9]

		Check Points	CTX Nodes/EDS	FIS/ETD Room
1.	Heating/Air Conditioning[1]			
	a. Maintenance	P	P	P
	b. Operation	P	P	P
	c. Air Distribution	P	P	P
	d. Utility Expense	T	T	T
2.	Electrical System			
	a. Bulb/Tube Replacement	P	P	P
	b. Distribution[7]	P	P	P
	c. Utility Expense	T	T	T
3.	Water System			
	a. Distribution/backflow testing[8]	N/A	N/A	N/A
	b. Fixtures	N/A	N/A	N/A
	c. Potable Water Cabinets	N/A	N/A	N/A
	d. Utility Expense	N/A	N/A	N/A
	e. Water heater[1]	N/A	N/A	N/A
4.	Facility			
	a. Structure	P	P	P
	b. Exterior	P	P	P
	c. Weight scales	N/A	N/A	N/A
	d. Keys/Locks[6]	N/A	N/A	P
5.	Fire System			
	a. Sprinklers/testing	P	P	P
	b. Alarm/Detection/testing	P	P	P
	c. Fire Extinguishers	P	P	P
	d. Alterations due to tenant construction	T	T	T
6.	Sewage & Plumbing			
	a. Distribution[8]	N/A	N/A	N/A
	b. Fixtures	N/A	N/A	N/A
	c. Utility Expense	N/A	N/A	N/A
7.	Public Address System	P	P	P
8.	Janitorial Service	T	T	T
9.	Window Cleaning			
	a. Exterior	N/A	P	P
	b. Interior	T	P	T
10.	Snow & Ice Removal	N/A	N/A	N/A
11.	Apron Sweeping	N/A	N/A	N/A

LEGEND: A = Airline P = Port of Portland N/A = Not Applicable T = TSA/GSA

Notes: Any maintenance responsibilities not specifically listed in this matrix are the responsibility of the Airline, unless the Port states in writing that it is the responsibility of the Port.

[1] Maintenance applies to Port owned equipment only, including loading bridge bag slides.
[6] All keys and locks are provided by the Port. Tenant keys and locks are not allowed, except for individual locks such as padlocks for lockers.
[7] Distribution means electrical systems up to and including the main breaker.
[8] Distribution for water and sewage systems means up to the point either system enters the interior of the leased space.
[9] This matrix does not apply to equipment owned by the TSA (example: ETD's, CTX's, magnetometers, x-rays, furniture, etc.)

Exhibit D

PORT AND AIRLINE MAINTENANCE RESPONSIBILITIES **Page ____ of ____**

1.10 Maintenance, Repair and Janitorial

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PUBLIC & COMMON USE AREAS

		Public Areas	Common Areas
1.	Heating/Air Conditioning[1]		
	a. Maintenance	P	P
	b. Operation	P	P
	c. Air Distribution	P	P
	d. Utility Expense	N/A	N/A
2.	Electrical System		
	a. Bulb/Tube Replacement	P	P
	b. Distribution[7]	P	P
	c. Utility Expense	N/A	N/A
3.	Water System		
	a. Distribution/backflow testing[8]	P	P
	b. Fixtures	P	P
	c. Potable Water Cabinets	N/A	N/A
	d. Utility Expense	N/A	N/A
	e. Water heater[1]	N/A	P
4.	Facility		
	a. Structure	P	P
	b. Exterior	P	P
	c. Weight scales	N/A	P
	d. Keys/Locks[6]	P	A
5.	Fire System		
	a. Sprinklers/testing	P	P
	b. Alarm/Detection/testing	P	P
	c. Fire Extinguisher	P	P
	d. Alterations due to tenant construction	A	A
6.	Sewage & Plumbing		
	a. Distribution[8]	P	P
	b. Fixtures	P	P
	c. Utility Expense	N/A	N/A
7.	Public Address System	P	P
8.	Janitorial Service	P	P
9.	Window Cleaning		
	a. Exterior	P	P
	b. Interior	P	P
10.	Snow & Ice Removal	[2]	[2]
11.	Apron Sweeping	N/A	[3]

LEGEND: A = Airline P = Port of Portland N/A = Not Applicable

Notes: Any maintenance responsibilities not specifically listed in this matrix are the responsibility of the Airline, unless the Port states in writing that it is the responsibility of the Port.

[1] Maintenance applies to Port owned equipment only, including loading bridge bag slides.
[2] Apron snow and ice removal is a joint responsibility. The Port will provide truck mounted removal. The airlines are responsible for areas adjacent to the concourses.
[3] Apron sweeping is a joint responsibility. The Port will provide truck power sweeping of all aprons. The airlines are responsible for detailed cleaning adjacent to the concourses.
[6] All keys and locks are provided by the Port. Tenant keys and locks are not allowed, except for individual locks such as padlocks for lockers.
[7] Distribution means electrical systems up to and including the main breaker.
[8] Distribution for water and sewage systems means up to the point either system enters the interior of the leased space.

Exhibit D

PORT AND AIRLINE MAINTENANCE RESPONSIBILITIES **Page ____ of ____**

OTHER AIRLINE SPACE

		Aircraft Aprons[5]	Baggage Claim	Enclosed Baggage Road
1.	Heating/Air Conditioning[1]			
	a. Maintenance	N/A	P	P
	b. Operation	N/A	P	P
	c. Air Distribution	N/A	P	P
	d. Utility Expense	N/A	N/A	N/A
2.	Electrical System			
	a. Bulb/Tube Replacement	P	P	P
	b. Distribution[7]	P	P	P
	c. Utility Expense	P	P	P
3.	Water System			
	a. Distribution/backflow testing[8]	P	P	P
	b. Fixtures	P	P	P
	c. Potable Water Cabinets	N/A	N/A	N/A
	e. Utility Expense	N/A	N/A	N/A
	f. Water heater[1]	N/A	N/A	N/A
4.	Facility			
	a. Structure	P	P	P
	b. Exterior	P	P	P
	c. Weight scales	N/A	N/A	N/A
	d. Keys/locks[6]	P	P	P
5.	Fire System			
	a. Sprinklers/testing	N/A	P	P
	b. Alarm/Detection/testing	N/A	P	P
	c. Fire Extinguishers	[4]	P	P
	d. Alterations due to tenant construction			
6.	Sewage & Plumbing			
	a. Distribution[8]	P	P	P
	b. Fixtures	N/A	P	P
	d. Utility Expense	A	A	A
7.	Public Address System	N/A	P	P
8.	Janitorial Service	A	P	P
9.	Window Cleaning			
	a. Exterior	N/A	P	P
	b. Interior	N/A	P	P
10.	Snow & Ice Removal	[2]	P	P
11.	Apron Sweeping	[3]	N/A	N/A

LEGEND: A = Airline P = Port of Portland N/A = Not Applicable

Notes: Any maintenance responsibilities not specifically listed in this matrix are the responsibility of the Airline, unless the Port states in writing that it is the responsibility of the Port.

[1] Maintenance applies to Port owned equipment only, including loading bridge bag slides.
[2] Apron snow and ice removal is a joint responsibility. The Port will provide truck mounted removal. The airlines are responsible for areas adjacent to the concourses.
[3] Apron sweeping is a joint responsibility. The Port will provide truck power sweeping of all aprons. The airlines are responsible for detailed cleaning adjacent to the concourses.
[4] The airlines are responsible for fire extinguishers on the Aircraft Apron that are red in color; the Port is responsible for fire extinguishers on the Aircraft Apron that are yellow in color.
[5] Aircraft Apron refers to the Non-Preferential Ground Load apron at Gates E6 and E7.
[6] All keys and locks are provided by the Port. Tenant keys and locks are not allowed, except for individual locks such as padlocks for lockers.
[7] Distribution means electrical systems up to and including the main breaker.
[8] Distribution for water and sewage systems means up to the point either system enters the interior of the leased space.

Exhibit D

PORT AND AIRLINE MAINTENANCE RESPONSIBILITIES **Page ____ of ____**

Excerpt from SEA Agreement:

ARTICLE 12

1.10 Maintenance, Repair and Janitorial

DEVELOPMENT, MAINTENANCE AND REPAIR OF AIRPORT

12.1 Port Right to Alter Airport.

SEA

Subject to the terms of this Agreement, airline acknowledges and agrees that the Port shall have the right at all time to change, alter, expand or contract the Airport and that the Port has made no representations, warranties or covenants to Airline regarding the design, construction, pedestrian traffic, or views of the Airport.

12.2 Condition of Premises and Janitorial Services

Airline agrees to keep the Premises, including the fixtures and equipment in Premises, in a clean, neat, safe and sanitary condition, and in good order, at all times, except for damages or loss due to reasonable wear and tear, fire or other casualty or other caused beyond Airline's control. Airline shall not store nor allow accumulation of trash or debris on any portion of the Premises, nor use port's trash container without Director's prior consent. Airline agrees to arrange for the daily disposal, at its own expense, of all waste material. All lawful requirements of the State of Washington relating to health or sanitation adopted by any legal authority with jurisdiction, including the Port, shall be fully met by Airline, and Airline upon request shall give access for inspection purpose to any duly authorized representative of any such legal authority or of the Port. Janitorial services, carpet cleaning, maintenance and repair window washing on the Premises will be furnished by the Port except for Exclusive Premised, if any, assigned to Airline. Airline shall be responsible for janitorial services, carpet cleaning, maintenance and repair and window washing in Exclusive Premised, if any, assigned to Airline.

12.3 Airline Improvements.

12.3.1 General Provision. Airline shall make no alterations or improvements upon the Premises or install fixtures without first obtaining the written consent of the Port. In no event may Airline make any alterations or improvements to any Common Use Premises. In the event any alterations or improvements shall be made or fixtures (other than trade fixtures) shall be installed by Airline, they shall at once become part of the realty and become the property of the Port, without reimbursement by the Port. Moveable furniture and all trade fixtures shall be and remain the property of the Airline, and the Airline, at its expense, upon the expiration or prior termination of this Agreement, shall promptly remove any such

furniture and trade fixtures and at the Port's request, shall restore the Premised to its condition prior to the installation of any such property.

1.10 Maintenance, Repair and Janitorial

12.3.2 Visual Artists Rights Act. With respect to construction or installation of any improvements at the Premised that might implicate the requirements of the federal Visual Artists Rights Acts of 1990, 17 U.S.C §§ 106A and 113, as they may be amended from time to time ("VARA"), Airline agrees that is shall not (1) hire any artist or permit any sublease to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or 92) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the Port. Airline shall proved such reasonable documentation as the Port may request in connection with any such approval and the approval of the Port may be conditioned upon the execution by the artist of a waiver of the provisions of the VARA, in form and substance acceptable to the Port.

SEA

12.4 Repair.

12.4.1 Except as otherwise expressly provided herein, Airline specifically acknowledges and agrees that the Port is permitting the use of the Premised by Airline on an "as is with all faults" basis and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Port, as to any matters concerning the Premises.

12.4.2 In all Exclusive and Preferential Premises assigned to Airline, and subject to the exception set forth in subsection 12.4.3 (ii) below, Airline shall at its own expense redecorate and paint the interior of the space and replace electric light bulbs, worn carpeting, other flooring coverings, curtains, draperies, blinds or other furnishings and equipment as their conditions may require.

12.4.3 The Port agrees to keep, operate and maintain the Terminal, including its foundations, structure, outside walls, roof and utility systems. The Port will also keep and maintain (i) fixtures, furnishings, equipment and carpeting or other floor covering located in the Terminal, except for those located in Airline's Exclusive premises and (ii) all Port-owned fixtures, furnishing, equipment and carpeting or other floor covering located in Airline's Preferential Premises, in a neat, clean and operating condition replacing all worn-out fixtures, furnishings, carpeting and other floor coverings, machinery and equipment as may be required.

12.4.4 Gate Ramp Maintenance. The Port agrees to provide striping and maintain the Industrial Waste System on

the Gate Ramp. The Port shall also keep, operate and maintain the concrete infrastructure and structural integrity of the Gate Ramp.

1.10 Maintenance, Repair and Janitorial

SEA

12.5 Damage or Destruction.

12.5.1 Damage. If any portion of the Terminal in which Airline occupies Premises under this Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by Airline, the damage shall be repaired by the Port. If the damage renders the Premises unfit for use by Airline, and if the damage is repairable using reasonable diligence within four months from the date of the occurrence, the Premises shall be repaired by the Port.

12.5.2 Destruction. If any portion of the Terminal in which Airline occupies Premises under this Agreement is completely destroyed by fire, earthquake or other casualty, or damaged to such extent that such damage cannot be repaired within four months from the date of the occurrence, the Port shall have the option to terminate this Agreement to the extent that it shall apply to the particular Premises. The Port shall within thirty (30) days of such occurrence provide written notice to Airline that it intend to (1) terminate the Agreement or (2) repair or reconstruct the Premises, it shall begin any work necessary to do so and shall use reasonable efforts t provide the Airline with temporary substitute space while the repairs are being completed. If the Port elects to terminate this Agreement, such termination shall be effective as to the Premises, sixty (60) days after the occurrence of the damage, provided, that before electing to terminate, upon request of Airline the Port shall use reasonable efforts to provide Airline with substitute space for the remaining Term.

12.5.3 Rent Abatement. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the Agreement as to such portions of the Premised if the Port shall elect not to restore them), the rental allocable to the particular Premises involved shall be abated I the same proportion as the unusable portion of the Premises bears to the whole, or, if the damage or destruction has rendered the entire Premised unusable, said rental shall be abated entirely, and upon termination of the Agreement as to such damaged or destroyed Premises, the Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable Premises under subsection 8.3.2 shall be evenly redistributed for the duration of such rent abatement among all of rented space in the corresponding Group under subsection 8.3.2. The Port may charge a reasonable rental for any temporary substitute space it furnishes. In the event that the Port shall elect to terminate the Agreement as to the portion of the Premises damaged or destroyed as provided above, and in the event the loss of use there of by the Airline will have

substantial adverse effect on the Airline use of the remainder of the Premises and it business and operations at the Airport, the Airline may within (30) days after receipt of the Port's notice of termination, terminate this Agreement in its entirety by giving the Port written notice thereof.

1.10 Maintenance, Repair and Janitorial

12.6 Inspections.

SEA

The Port may, upon reasonable notice to Airline, cause the Premises and Airline's operations at the Airport to be inspected and may conduct an inspection of Airline's operations at the Airport to confirm that such operations comply with the requirements set forth in this Agreement. The Port shall use reasonable effort not to interfere with Airline's operations during any such inspection, and Airline shall cooperate with such inspection. In the event such inspection shows that Airline is not substantially complying with such requirements, without limiting the Port's ability to call a default hereunder, the Port may require that Airline reimburse the Port for the reasonable costs of such inspection. Airline shall promptly remedy any noncompliance shown in any such inspection.

Excerpt from BWI Agreement:

1.10 Maintenance, Repair and Janitorial

BWI

EXHIBIT 18

Page 1 of 2

PASSENGER TERMINAL PREMISES OPERATING & MAINTENANCE RESPONSIBILITES

Administration agrees to provide the janitorial and cleaning services reasonably necessary to keep public and passenger space, and Contractor's exclusive and non exclusive space in the Airport Terminal Building and areas adjacent thereto, in a neat and orderly condition. However, Administration shall not provide janitorial and cleaning services to unfinished and no-air-conditioned space in the event that such space is exclusively assigned to Contractor under the terms of this Contract. Contractor agrees to maintain the cleanliness of the aforementioned exclusively assigned unfinished and non-air-conditioned space and Contractor shall deposit all debris and waste matter in receptacles provided by Administration at select locations around the Terminal Building for collection by Administration at reasonable frequencies.

Exhibit 18 **Page**
2 of 2

Passenger Terminal Premises Operation & Maintenance Responsibilities

A=Administration
T=Tenant

		Electricity			Water			Maintenance		
Type of Space	**A/C**	**Heat**	**Light**	**Power**	**Hot**	**Cold**	**Janitor**	**Janitor Service**	**Routine Supplies**	**Structural**
1. Airline Space										
a. Preferential Holdrooms	A	A	A	A	---	--	A	A	A	A
2. Exclusive Use										
1.) Offices	A	A	A	A	A	A	A	A	A	A
2.) Operations										
i.) A/C Office	A	A	A	A	A	A	A	A	A	A
ii.) Non-A/C Areas	---	---	A	A	A	A	T	T	T	A
3.) Plumbing	A	A	A	A	A	A	A	A	A	A
Restroom										
b. Personal Property (FF&E)1										
1.) Office Furniture,	---	---	---	---	---	---	A	T	T	T
Public Seating and										
Fire Extinguishers 2										
2.) Outbound Baggage	---	---	---	A	---	---	---	---	T	T
Conveyor Systems 3										
c. Special Décor										
1) Podiums 4	---	---	A	A	---	---	A	A	T	A
2) Logos	---	---	T	A	---	---	T	T	T	T
3) Airline Décor	---	---	---	---	---	---	T	T	T	T
4) Special Lighting	---	---	T	A	---	---	A	---	T	T
2. Public Space										
a. Restrooms/	A	A	A	A	A	A	A	A	A	A
Corridors/Alcoves										
b. Loading Bridges 5	---	---	A	A	---	---	A	A	A	A

1. FF&E shall mean fixtures, furnishings and equipment.
2. Tenant shall be responsible for periodic inspections, maintenance & replacement of its fire extinguishers
3. Tenant to provide routine and structural maintenance for exclusively owned or exclusively used baggage conveyance systems. Administration maintains other baggage conveyances systems.
4. Tenant shall be solely responsible for podium inserts unless common use podium. Tenant shall be solely responsible for any podium and/or insert that is a Tenant–specific standard podium module and/or insert.
5. Tenant maintains 400 Hertz, PC Air and all other non-standard power requirements as determined by the Administration.

1.11 Reporting of Activity

1.11 Reporting of Activity

Excerpt from PDX Agreement:

PDX

18.21 Information to be Supplied by Airline
Not later than five (5) working days after the end of each month, Airline shall file with the Port separate reports, on the form(s) provided by the Port (as such form(s) may be changed by the Port from time to time) or forms approved and accepted by the Port: (a) for activity conducted by Airline during said month at the Airport; (b) for any aircraft flights, scheduled or non-scheduled, handled by Airline for other aircraft operators not having an agreement with the Port; and (c) for activity conducted by any Affiliate(s) during said month at the Airport. The Port reserves the right to collect and utilize information for the calculation of Rents from other reasonable and accurate sources. If the Port uses information from other sources for the calculation of Rents, Airline has the right to review and provide additional information justifying the Airline's position.

Excerpt from STL Agreement:

STL

Section 507. Statistical Report

(B) Airline shall complete and submit to the City no later than the 15th day of each month, on forms similar to those attached hereto as Exhibit C, reports summarizing statistics and information for Airline's prior month of operations at the Airport necessary for the computation of Rents, Fees, and Charges established hereunder, and such other statistical and financial data that the City determines is necessary for the computation and administration of Airline's financial obligations hereunder, including the following data:

- *total number of flight departures at each gate assigned to Airline;*
- *total number of originating and connecting passengers;*
- *total number of domestic enplaned and deplaned passengers;*
- *total number of international enplaned and deplaned passengers;*
- *total number of landings by type of aircraft and Maximum Gross Certificated Landed Weight by type of aircraft;*

- *total pounds of air cargo enplaned and deplaned;*
- *total pounds of air mail enplaned and deplaned; and*
- *total amount of food and beverage purchased to be sold, if any, in accordance with the provisions of Subsection 301(R).*

1.11 Reporting of Activity

The information submitted by Airline to City pursuant to this Subsection shall be in addition to any other information required elsewhere in this Agreement to be submitted by Airline.

STL

(C) The City shall have the right to rely on said activity reports in determining Rents, Fees, and Charges due hereunder. Airline shall have full responsibility for the accuracy of said reports. Late payment and payment deficiencies due to incomplete or inaccurate activity reports shall be subject to the late payment and late penalty charges as set forth in Subsection 509(E).

(D) The acceptance by the City of any Airline payment shall not preclude the City from verifying the accuracy of Airline's reports or computations, or from recovering any additional payment actually due from Airline. Interest on any additional amount due shall accrue from the date the payment was originally due, at the rate prescribed as calculated in Subsection 509(E).

SEA

Excerpt from SEA Agreement:

8.9 Activity reports

8.9.1 Prior to Installation of a Flight Information System
Until the Port completes installation of a Flight Information Management System ("FIMS") at the Airport, and without awaiting any demand by the Port, Airline shall provide to the Port, on or before the 10th day of each and every month, an accurate written summary report of Airline's operations at the Airport during the preceding month. The Airline's monthly activity report shall be in a format prescribed by the Port and shall include at least the following information: (a) the aircraft type, registration number, Maximum Gross Landed Weight ("Landed Weight Report") and seating capacity and configuration of every aircraft operated by the Airline at the Airport during the preceding month; (b) the total number of domestic and international enplaned and deplaned passengers served by Airline at the Airport, including the breakdown of FIS and non-FIS deplaned passengers; (c) the total amount (in pounds) of domestic and international cargo, mail, and express packages enplaned and deplaned by Airline at the Airport; (d) the total number of scheduled and nonscheduled aircraft operations; (e) total usage of Common Use Gates by date, and including gate and

aircraft type; (f) total minutes of usage of Common Use Ticket Counters by date, and including the number of ticket counter positions occupied.

1.11 Reporting of Activity

SEA

8.9.2 FIMS
The Port shall give Airline notice that it has installed FIMS. Airline shall cooperate with the Port in testing the FIMS, provided such testing does not unreasonably interfere with Airline's operations. When FIMS is operational,
Airline shall provide the Port with the information specified in this subsection 8.9.2 by providing real time data output from Airline's internal flight information display system, computer reservations system, cargo load message transmission, ARINC or SITA transmissions, or other information systems (including commercial information systems) on a per flight basis. Airline shall provide to the Port, in real time, the following information about the Airline's operations and activities at the Airport. For each arriving flight: (a) flight number and Airport Gate utilized, (b) Aircraft registration number and aircraft type, and (c) actual time of arrival at the Airport (wheels-on) and actual time of arrival at the Gate (aircraft parked at the Gate). For each departing flight: (a) flight number and Airport Gate utilized, (b) aircraft registration number and aircraft type, and (c) actual time of departure from
Gate (aircraft pushback) and actual time of departure from Airport (wheels-off).

8.9.3 Future Automated Activity Reporting
The Port shall give Airline notice that the Port intends to enhance FIMS to receive electronic activity reporting for all data listed in subsections 8.9.1 and 8.9.2. Airline agrees to work with the Port to develop Airline's automated activity reporting capability. Airline shall cooperate with the Port in testing the enhanced FIMS, provided such testing does not unreasonably interfere with Airline's operations.

1.12 Form and Amount of Payment Security

1.12 Form and Amount Of Payment Security

SEA

***Excerpt from SEA Agreement*:**

ARTICLE 19

SECRUITY DEPOSIT

1.12
Form and Amount Of Payment Security

SEA

Airline shall obtain and deliver to the Port at the address set forth in Section 1.2, a Security Deposit in the amounts set forth in Section 1.2 to secure Airline's full performance of this Agreement, including the payment of all rate and charges now or in the future payable to the Port under this Agreement. The amount, form, provisions and nature of the Security Deposit, including if appropriate the identity of the surety or other obligor thereunder, shall at all time be subject to the Port's approval; provided, that the Port will calculate annually the Landing Fees portion of the Security Deposit based on (i) Airline's monthly Landing Fee average for the immediately preceding calendar year of operation at the Airport or (ii) projections for first-submitted Scheduled Operations (where Airline is a new entrant at the Airport), and will adjust the amount required under section 1.1. accordingly. Notwithstanding the foregoing, (i) the Port's may, upon reasonable notice, require Airline to increase its Security Deposit if the Port's estimate of the Landing Fees, Terminal Rents and other charges due by Airline increase, the Port's policies governing security deposits are amended to require an increase during the Term, or Airline has three 93) consecutive instance or five (5) instance in a period of twelve (12) months of late or delinquent payment of its obligations under the Agreement; provided, that any increase in Airline's Security Deposit resulting from Airline's late or delinquent payment history shall not exceed twenty percent (20%) of the then Security Deposit amount; or (ii) Airline may request that the Port decrease the Security Deposit required under section 1,1, if the Port's estimate of the Landing Fees, Terminal Rents and other charges due by Airline decrease or the Port's policies governing security deposits are amended to require a decrease during the Term. The Security Deposit shall be made in advance by cash, letter of credit, surety bond or other instrument acceptable to the Port and shall remain in place at all times throughout the Term and throughout any holdover period. The Port shall not pay interest on the Security Deposit, and the Port shall not be required to keep the Security Deposit separate from its other accounts. No trust relationship is created with respect to the Security Deposit. The Security Deposit is a part of the consideration for execution of this Agreement. If Airline shall have fully performed all terms and conditions of this Agreement, any cash deposit shall be paid to Airline without thirty (30) days following the termination or expiration of this Agreement, without interest; otherwise the Port shall, in addition to any and all other rights and remedies available under this Agreement or at law or equity, retain the Security Deposit. The Port may apply all or part of the Security Deposit to any unpaid sum due under this Agreement or to cure other Events of Default. If the Port depletes the Security Deposit in this way, Airline shall restore the Security Deposit within ten (10) days after the receipt of the Port's written request to do so. Nowithstanding the foregoing, in the event the Port depletes the Security Deposit and an

unpaid sum remains due under this Agreement, the Port shall have the right to recover the total of such unpaid sum through the rates and charges mechanism set forth in Article 8.

1.12
Form and Amount Of Payment Security

BWI

Excerpt from BWI Agreement:

Article XIII
Performance BOND

A. *Airline shall be required to execute and deliver to the Administration, prior to the commencement of BULA, a performance bond in the amount of Forty One Thousand Two Hundred Seven Dollars ($41,207.00) as a performance guarantee for Boarding Devices Fees (as set forth in Article VII of this BULA) and in the amount of Two Hundred Twenty Three Thousand Five Hundred Forty Six Dollars and Eighty Seven Cents ($223, 546.87) as a performance guarantee fro rent (as set forth in Article VIII.B of this BULA) for Airline's Passenger Terminal Premises payable by Airline to the Administration. Airline shall maintain such performance bond(s) for the entire term of the Contact, to include any extension thereto.*

B. *The performance bond(s) required in Article XIII.A. of this BULA may be combined into one (1) single bond in the required total amount*

C. *The amount of the said performance bond(s) shall be subject to adjustment at the end of each Contract Year. Upon the written notifications of the Administration, Airline shall modify the amount of the performance bond(s) to a dollar amount equal to one fourth (25%) of the amounts reasonably estimated to be invoiced to the Airline by the Administration in the respective categories described in A. above during the current Contract Year.*

D. *The performance bond(s) assures performance of the Airline's obligations under this Contract and the payment to Administration of all required fees, and shall be subject to claim in full or in part by the Administration in the event of failure by the Airline to fully perform its obligations under this Contract.*

E. *The performance bonds(s) may be issued for one (1) year period, provided, however, that evidence of renewal or replacement of the said bond(s) must be submitted annually by the Airline to the Administration at least sixty (60) days prior tot eh expiration date of the bond(s). The performance bond(s) shall contain language that the surety company shall notify the Administration in*

writing within fifteen (15) days of a determination that the performance bond(s) is to terminated, or is not going to be renewed.

1.12 Form and Amount Of Payment Security

F. *Airline may substitute in place of a performance bond an irrevocable letter of credit acceptable to the Administration and the Attorney General of Maryland from a financial institution approved by the Maryland State Treasurer in the amount required.*

BWI

G. *The surety, or sureties, upon the required performance bond(s) shall be corporate surety, or sureties, authorized to do business in the State of Maryland by the Maryland Insurance Administration and the Maryland Department of Assessments and Taxation.*

PDX

Excerpt from PDX Agreement:

28. SECURITY DEPOSIT

28.1 Security Deposit Exemption

At the request of the Signatory Airlines, the Port has agreed to no Security Deposit will be required from a Signatory Airline who meets all of the following criteria as of the Effective Date: (a) the Signatory Airline is in good standing without any Uncured event of Default or violation of this Agreement, or the 2001 Agreement, which with the passage of time could become an Event of Default; and (b) has been serving the Airport as the Commencement Date for a minimum of two (2) years as of the Effective Date. Additionally no security for payment shall be required of a Signatory Airline if it has not provided regular passenger service to and from the Airport for a period of twenty-four (24) months prior to the Effective Date of this Agreement (or the date of any assignment permitted by Section 33.1), but the Signatory Airline provided written certified proof to the Port that: (i) Airline has provided such service to at least ten (10) other airports in the United States for said twenty-four (24 months; and (ii) Airline has not been delinquent in payment of Rents at any such other airports for at least twenty-four (24) consecutive months. It is the burden of Airline to prove to the Port's reasonable satisfaction that it is not required to provide a Security Deposit pursuant to this Section. The Port agreed to this request based only o the clear understanding that if a Signatory Airline who does not have a Security Deposit defaults, all other Signatory Airlines, and NOT the Port, will be responsible to cover or pay any amounts associated with any such Defaults. The Security Deposit may be used by the Port to pay for any Uncured Event of Default under this Agreement.

28.2 Security Deposit Required

To the greatest extent allowed by law, a Security Deposit will be required under the following circumstance:

1.12 Form and Amount Of Payment Security

28.2.1 New Operations

If Airline has operated at the Airport for less than two (2) full years of the Commencement Date of this Agreement, and Airline cannot obtain an exemption as set forth in Section 28.1 above, then Airline shall obtain and deliver to the Port on or before the Effective Date of this Agreement, a Security Deposit, in accordance with Section 28.3, to secure Airline's full performance of all obligations under this Agreement. If, after procuring ad maintaining the Security Deposit required by this Section 28.2 for a period of twenty-four (24) consecutive months, during which period Airline has provided regular passenger service to and from the Airport, Airline commits no Event of Default under Section 31.1.1, then the Port shall return the Security Deposit to Airline, and Airline will be exempt from posting a Security Deposit, unless it commits an event of Default, as described below.

PDX

28.2.2 Events of Default

If, at any time during this Agreement, Airline shall commit a monetary event of Default that is not fully cured within (10) days of receipt of written notice of the Event of Default from the Port the Port shall have the right by written notice to Airline, to immediately impose, or reimpose, the security Deposit requirement of Section 28.2. In such event, Airline shall provide the Port with the required Security Deposit and shall thereafter maintain such Security Deposit for the remainder of the term of this Agreement. If, at any time during this Agreement, Airline shall commit any other Event of Default and fails to timely begin cure, or diligently pursue cure, within ten (10) days of receipt of written notice of the Event of Default from the Port, the Port shall have the right, by written notice to Airline, to immediately impose, or reimpose, the Security Deposit requirements of Section 28.2. In such event, Airline shall provide the Port with the required Security Deposit and shall thereafter maintain such Security Deposit for the remainder of the term of this Agreement. The Port's rights under this Section shall be in addition to all other rights and remedies provide to the Port under this Agreement or by law. The Security Deposit must be posted within ten (10) days of receipt of such written notice.

28.2.3 Reimbursement Agreement

If Airline requests the Ports to make Capital Improvements on its behalf, pursuant to Section 243.3.8 Airline will be required to provide a Security Deposit, as provided in a reimbursement agreement which must be signed by Airline before any Capital Improvements are made.

1.12 Form and Amount Of Payment Security

28.3 Acceptable Forms of Security Deposit

When required by Section 28.2 to provide a Security Deposit, Airline shall comply with any one of the following two (2) options on or before the Effective Date of this Agreement, or the Port's notice pursuant to Section 36.34:

28.3.1 Letter of Credit

PDX

Deliver to the Port an irrevocable stand-by letter of credit, in favor of the Port, in a form with drawing instructions acceptable to the Port, drawn on a bank acceptable to the Port.

28.3.2 Cash

Post with the Port cash in the amount of the Security Deposit. Cash shall not be considered to be held in trust and may be commingled with any other Port accounts. A cash Security Deposit of ONE MILLION DOLLARS ($1,000,000.00) or more will be placed in an interest bearing account, with such interest accruing to the benefits of that account and will be eligible to be paid to the posting Signatory Passenger Airline if that Security Deposit is later refunded in whole or in part, to that posting Signatory Passenger Airline.

28.4 Amount of Security Deposit

The amount of Security Deposit required by Section s 28.2.1 and 28.2.2 shall be three (3) months average Terminal Rents and Landing Fees, as reasonably estimated by the Port. The Security Deposit required by Section 28.2.3 will be based on the amount of the reimbursement agreement.

Excerpt from PIT Agreement:

PIT

<u>Section 8.07—Security Deposits</u>

A. In order to guarantee the timely payment of all Airline Fees and Charges, and unless Airline has provided regularly scheduled passenger flights to and from the Airport for the eighteen (18) months prior to the Effective Date (or prior to the assignment of this Agreement

to Airline) without committing an act or omission that would have been an Event of Default if this Agreement had been effect during such period , Airline shall provide the Authority on the Effective Date (or on the assignment of this Agreement to Airline) with a Security Deposit in an amount equal to one-fourth (1/4) of the Airline Fees and Charges payable by Airline for the ensuing Fiscal Year. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive months during which Airline commits no Event of Default (including any period to the Effective Date or prior to the assignment of this Agreement to Airline during which Airline provided regularly scheduled passenger flights to and from the Airport, and for any such prior period, no act or omission that would have been such an Event of Default hereunder). In the event that any such Security Deposit shall be for a period of less than the full period required by this Agreement, or if such Security Deposit may be canceled, Airline shall provide a renewal or replacement Security Deposit for the period following the expiration or cancellation of such security deposit previously provided at least sixty (60) days prior to the date on which such previous Security Deposit expires or at least sixty (60) days prior to the effective date of such cancellation.

1.12 Form and Amount Of Payment Security

PIT

B. If Airline shall commit an Event of Default, the Authority shall have the right: (1) to use such Security Deposit to pay such Airline's Airline Fees and Charges then due and payable; or (2) by written notice to Airline given at any time within ninety (90) days of such Event of Default, to impose or reimpose the requirements of Section 8.07(A) on Airline. In such event, Airline shall, within (10) days from its receipt of such written notice, provide the Authority with the required Security Deposit and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive months during which Airline commits no Event of Default. The Authority shall have the right to reimpose the requirements of Section 8.07(A) on Airline each time Airline commits such an Event of Default during the term of this Agreement. The Authority's rights under this Section 8.07 shall be in addition to all other rights and remedies provided to the Authority under this Agreement.

MWAA

Excerpt from MWAA Agreement:

8.13 Security for Payment.

8.13.1 If at any time during the twelve (12) consecutive months immediately preceding the Effective Date of this Agreement, the Airline committed an act or omission that constituted a default in payments due to the Authority pursuant to the terms and provisions of

the Prior Agreements and Leases, then the Authority has the right to require the Airline to provide to the Authority on the Effective Date, payment of outstanding default amounts if any, and a surety bond, irrevocable letter of credit or other security acceptable to the Authority ("Contract Security") in an amount equal to an estimate of four (4) month's rental, fees, and charges payable by the Airline pursuant to this Article 8. Such Contract Security shall be for the purpose of guaranteeing the payment of all rentals, fees, and charges due hereunder. If Contract Security I required by the Authority, the Airline shall maintain such Contract Security in Effect until the expiration of twelve (120 consecutive months during which period the Airline commits no act or omission that would constitute a payment default pursuant to Paragraph 13.01.9 of this Agreement. Such Contract Security shall be in such form and with such company approved to do business in the Commonwealth of Virginia as shall be reasonably acceptable to the Authority.

1.12 Form and Amount Of Payment Security

MWAA

8.13.2 Upon the failure of the Airline to make a payment on or before the date due, as prescribed in Section 8.11, and the continued failure by the Airline to make payments within five (5) calendar days after the date of written notice from the Authority of such failure to pay, the Authority, within thirty (30) days of the date of the written notice, shall have the right to impose or reimpose the requirements of Paragraph 8.13.1, above, on the Airline. In such event, the Airline shall provide the Authority with the required Contract Security within fourteen (14) days from its receipt of such written notice that the Authority is imposing or reimposing such Contract Security requirement and maintain said security in effect until the expiration of a period of twelve (12) consecutive months during which the Airline makes all payments to the Authority as required by Section 8.11 herein when due. The Authority shall have the right to reimpose the requirements of Paragraph 8.13.1, above on the Airline each time the Airline fails to make a payment as required by Section 8.11 during the Period of this Agreement. The Authority's rights under this Paragraph 8.13.2 shall be in addition to all other rights and remedies available to Authority either by law or under the terms of this Agreement.

MCO

Excerpt from MCO Agreement:

7.09 Contract Security.

A) Unless Airline has provided regular passenger flights to and from the Airport for the eighteen (18) months prior to Airline's execution of this Agreement (or prior to the assignment of this Agreement to Airline) without committing an act or omission that would

1.12
Form and Amount Of Payment Security

MCO

have been an Event of Default under Section 11.01(A) of this Agreement if this Agreement had been in effect during this period, Airline shall provide Authority on the execution (or on the assignment of this Agreement to Airline) with a Contract bond, irrevocable letter of credit or other security acceptable to Authority ("Contract Security") in an amount equal to three (3) months' fees and charges payable by Airline under Section 7.01(A) and (B), 7.02 and 7.04 of this Agreement and any Tenant Finish Surcharge or Airport Finance Surcharge payable under this Agreement during such three-month period, to guarantee the faithful performance by Airline of its obligations under this Agreement and the payment of all fees and charges due hereunder. Airline shall be obligated to maintain such Contract Security in effect until the expiration of eighteen (18) consecutive months (including any period prior to Airline's execution of this Agreement of prior to the assignment of this Agreement to Airline during which Airline provided regular passenger flights to and from the Airport) during which Airline commits no Event of Default under Section 11.01 (A) of this Agreement (and for any such prior period, no act or omission that would have been such an Event of Default hereunder). Such Contract Security shall be in such form and with such company licensed to do business in the State of Florida as shall be acceptable to Authority in its reasonable discretion. In the event that any such Contract Security shall be for a period of less than the full period required by this Agreement, or if such Contract Security may be canceled, Airline shall provide a renewal or replacement Contract Security for the period following the expiration or cancellation of such Contract Security previously provided at least sixty (60) days prior to the date on which such previous Contract Security expires or at least sixty (60) days prior to the effective date of such cancellation.

B) *If Airline shall commit an Event of Default under Section 11.01 (A) of this Agreement shall have the right, by written notice to Airline given at any time within ninety (90) days of such Event of Default, to impose or reimpose the requirements of Section 7.09(A) above on Airline. In such event, Airline shall within ten(10) days from its receipt of such written notice, provide Authority with eh required Contract Security and shall thereafter maintain such Contract Security in effect until the expiration of a period of eighteen (18) consecutive months during which Airline commits no Event of Default under Section 11.01 (A) of this Agreement. Authority shall have the right to reimpose the requirements of Section 7.09 (A) above on Airline each time Airline commits such an Event of Default during the term of this Agreement. Authority's rights under this paragraph shall be in addition to all other rights and remedies provided to Authority under this Agreement.*

1.13 Insurance

1.13.1 Airport Insurance

MWAA

1.13 Insurance

1.13.1 Airport Insurance

Excerpt from MWAA Agreement:

11.01 The Authority's Responsibilities.

11.01.1 The Authority shall maintain insurance or cause insurance to be maintained with a responsible insurance company or companies approved to do business in the Commonwealth of Virginia, or adopt and maintain a risk financing plan for property losses and said insurance plan, or combination thereof shall cover such risks as are ordinarily insured against by reasonably prudent operators of airports, including, without limiting the generality of the foregoing, fire, lightning, windstorm, hail, floods, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage with vandalism and malicious mischief endorsements, coverage of demolition of buildings and removal of debris, all-risk coverage, business interruptions, and extra expense. Such insurance or plan shall be maintained in an amount not less than the full insurable replacement value. Full insurable replacement value of any insured improvement shall be deemed to equal the actual replacement cost of the improvement and shall be determined by the Authority from time to time, but not less frequently than once every three years. In the event that such determination of full insurable replacement value indicates that the improvements are underinsured, the Authority shall secure the necessary additional coverage.

11.01.2 If a portion of the Airports within the Airline Supported Areas, except property for which the Airline is responsible under Section 11.02, is damaged or destroyed by fire or other peril, and except for TAP or as provided elsewhere in this Article 11, the Authority after consultation with the Airline, shall, to the extent of proceeds of the Authority's property insurance paid to the Authority or self insurance, repair, reconstruct, and replace the damaged or destroyed improvements so that the Airports are returned substantially to the same condition, character, and utility value (based upon the plans and specifications for the Premises, subject to the then existing Airport building standards) as existed prior to such damage or destruction, exclusive of improvements made by the Airline and Airline Operating Facilities. With respect to TAP, the Authority shall so repair, reconstruct, and replace damaged or destroyed TAP to the extent suitable to the conduct of the Airline's Air Transportation Business or provide alternative suitable Premises.

1.13.2 Airline Insurance

BWI

1.13.2 Airline Insurance

Excerpt from BWI Agreement:

ARTICLE XL

INSURANCE

A. Airline shall, at its own cost and expense, take out and carry in effect through the term of this Contract a policy or policies of insurance, with an insurance company that is financially sound and upon whom process in any suit or action or other proceeding in the courts of the State of Maryland may be serves, insuring Airline against all liability, subject to policy terms, conditions and exclusion, for injuries to person (including wrongful death) and damages to property caused by Airline's use and occupancy of Passenger Terminal Premises or otherwise caused by Airline's activities and operations on said Passenger Terminal Premises or elsewhere at the Airport, the policy limits thereof to be in the minimum(s) as set forth below.

*1. **Comprehensive Airline Liability Insurance** Airline shall maintain comprehensive airline liability insurance.*

a. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Three Hundred Million Dollars ($300,000,000) for each occurrence and in the aggregate.

b. The comprehensive airline liability insurance shall include with sublimits and aggregates where applicable, but not be limited to, Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability, Personal Injury and Advertising Injury Liability, Contractual Liability, Passenger' Checked and Unchecked Baggage Liability, Premised, Operations, Independent Contractor, Products-Completed Operations Liabilities, and Cargo Legal Liability Coverage shall not be excluded

c. Mobile Equipment. The comprehensive airline liability insurance shall include coverage for mobile or other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than Twenty-Five Million Dollars($25,000.000) for each

occurrence. Mobile or other ground vehicle equipment shall include, but not limited to, baggage tugs, aircraft pushback tugs, provision trucks, air stair trucks, belt loaders and any auto.

1.13.2 Airline Insurance

d. The Comprehensive Airline Liability Insurance shall apply as primary insurance with respect of any other insurance afforded to the Administration. There shall be no endorsement or modification of the policy to make it excess over other available insurance. If the policy states that is excess or prorate, the policy shall be endorsed to be primary with respect to the additional insured.

BWI

e. Waiver of Subrogation. Airline waives all rights against the State of Maryland, MDOT, the Administration and their agents, officers directors, volunteers, representatives and employees fro recovery of damages to the extent these damages are covered by the comprehensive airline liability or commercial umbrella liability insurance obtained by Airline pursuant to this Contract.

*2. **Aircraft Liability Insurance**. Airline shall maintain aircraft liability insurance with a limit of not less than Three Hundred Million Dollars ($300,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate. The aircraft liability insurance may be included I the Comprehensive Airline Liability Insurance Policy. Airline waives all rights against the State of Maryland, MDOT, the Administration and their agents, officers, directors, volunteers, representative, and employees for recovery of damages to the extent these damages are covered by the aircraft liability, comprehensive airline liability, or commercial umbrella liability insurance obtain by Airline pursuant to this Contract.*

*3. **Commercial Automobile Liability Insurance (non-restricted areas).***

a. Restricted Area, Mobile Equipment Coverage. Article XL.A.1.c above. This coverage is to be included under the comprehensive airline liability insurance.

b. Airline shall maintain automobile liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than Five Million Dollars ($5,000,000) for each accident for vehicles operated in areas other than restricted areas.

c. Such insurance shall cover liability arising out of any auto.

1.13.2 Airline Insurance

d. Coverage shall be written on ISO Form CA 00 01, CA 00 05, CA00 12, CA 0020, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

BWI

e. Waiver of Subrogation. Airline waives all rights against the State of Maryland, MDOT> the Administration and their agents, officers, directors, volunteers, representative, and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by the Airlines as required by this Contract or under any applicable auto physical damage coverage.

4. ***Worker's Compensation and Employer's Liability Insurance.*** *Airline shall maintain workers' compensation and employer's liability insurance.*

a. Workers' Compensation. Coverage shall be at statutory limits as required by the laws of the State of Maryland.

b. Employer's Liability. The Commercial umbrella and/or employer's liability limits shall not be less than One Million Dollar ($1,000,000) each accident for bodily injury by accident or One Million Dollars ($1,000,000) each employee for bodily injury by disease.

c. Waiver of Subrogation. Airline waives all rights against the State of Maryland, MDOT, the Administration and their agents, officers directors, volunteers, representatives, and employees for recovery of damage to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by the Airline pursuant to this Contract. Airline shall obtain an endorsement equivalent to WC 000313 to effect this waiver.

5. ***Commercial Property Insurance.*** *Airline shall maintain all-risk property insurance covering the full value and full replacement cost of Airline's property and Airline's improvements and betterments.*

B. For those insurance Companies not subject to A.M Best's ratings, they shall have a nationally or internationally recognized reputation and responsibility and shall be approved by the

Administration with such approval not be unreasonably withheld. For those insurance Companies subject to A.M. Best's ratings, they shall have an A.M. Best's rating of A-or better and a financial size category of VII or better.

1.13.2 Airline Insurance

C. Insurance shall be written on an occurrence, not claims made basis.

D. Evidence of Insurance

BWI

1. Prior to the commencement of this Contract, unless otherwise specifically authorized by Administration in writing, and at lease annually thereafter, and as soon as possible after renewal but no later than five (5) business days after said renewal, Airline agrees to furnish the Administration with certificates(s) of insurance and the required endorsement(s) reference herein, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirement of this Contract.

a. Each certificate of insurance shall provide for thirty (30) days written notice to the Administration prior to the cancellation, non-renewal, or material change of any insurance referred to herein.

b. Certificate(s) of insurance shall indicate at a minimum; the type, kind, and amount of insurance in effect, the period of the policies, the Contract Number of this Contract, and any applicable additional insured statement as referred to herein.

c. Certificates(s) of insurance shall be issued to:

Maryland Aviation Administration
Office of Commercial Management
Terminal Building, Third Floor
P.O. Box 8766
Baltimore Washington International Airport MD 21240

2. Administration reserves the right to obtain relevant endorsements, declaration pages, and/or a complete copy of the insurance policy(s) from the Airline evidencing the coverage required herein, upon written demand, The Airline shall provide certified copies of the required items within (10) business days of the Administration's written request for said copies. The Administration shall deem such information confidential commercial and/or confidential financial information. All policies and declaration pages shall be returned to the Airline upon review and acceptance by the Administration.

1.13.2 Airline Insurance

BWI

E. Required Endorsements

1. Additional Insureds Endorsement. All policies, except workers' compensation, shall be endorsed to identify the State of Maryland, MDOT, the Administration, and their authorized officers, agents, employees, directors, volunteers, and representatives as additional insureds, not named insureds, as their interest may appear in connection with this Contract. A policy endorsement evidencing same must be provided to the Administration.

2. Cancellation, Material Changes, or Non-Renewal endorsement. All policies shall be endorsed to provide the Administration with at least thirty (30) days, or ten (10) days for non-payment of premium, advance notice, in writing, of cancellation, non-renewal, or material change. A policy endorsement evidencing same must be provided to the Administration.

F. In no event shall any insurance referral to herein be cancelled by the Airline without the prior written consent of the Administration.

G. The failure of Administration, at any time or from time to time, to enforce the insurance provision, to demand such certificate(s) or other evidence of full compliance with the insurance requirements, or to identify a deficiency from evidence that is provided shall not constitute a waiver of those provision no in any respect reduce the obligations of the Airline to maintain such insurance or to defend and hold the Administration harmless with respect to any items of injury or damage covered by this Contract.

H. Failure to maintain the insurance required by this Contract shall be the basis for immediate termination of this Contract at Administration's option.

I. No Representation of Coverage Adequacy. By requiring insurance herein, the Administration does not represent that coverage and limits with necessarily be adequate to protect Airline, and such coverage and limits shall not be deemed as limitation on Airline's liability under the indemnities granted to the Administration in this Contract.

J. As indicated above, Airline may use commercial umbrella liability insurance so that Airline has the flexibility to select the best combination of primary and excess limits to meet the total insurance limits required by this Contract.

K. Administration reserves the right at any time throughout the term of the Contract to adjust the aforementioned insurance requirements, if, in Administration's reasonable judgment, the insurance required by the Contract is deemed inadequate to properly protect the Administration's interest.

1.13.2 Airline Insurance

L. Incidents. To the extent of Airline's knowledge, any accident or event arising in any manner from the performance of the Contract which results in or might have resulted in bodily injury, personal injury, property damage, or loss of any kind and that occurs on the Airport shall be immediately reported to the BWI Airport Operation Center (410-859-7018). Additionally, Airline shall send a written report to the Administration within twenty four (24) hours or as soon as possible, but not more than four (40 business days, of the incident, accident or other event. A copy of the report shall be sent to:

Maryland Aviation Administration
Airport Safety Section
Terminal Building, Third Floor
P.O. Box 8766
Baltimore Washington International Airport
MD 21240-0766

STL

Excerpt from STL Agreement:

ARTICLE XI
INSURANCE, DAMAGE, AND INDEMNIFICATION

Section 11.01.1 Insurance

(A) General. Airline at all times during the term hereof, shall cause St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the city, their officers, agents and employees and Airline to be insured on an occurrence basis against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities or omissions of Airline, its officers, agents, and employees pursuant to this Agreement both on the Leased Premises and the Airport.

(B) Risk and Minimum Limits of Coverage. Airline shall procure and maintain the following policies of insurance:

(i) Commercial General Liability Including Aircraft Liability with War Risk Allied Perils in an amount not less than $500 million; provided, however, that War Risk Allied Perils coverage may be provided by the

FAA War Risk Insurance Program, or other program generally available in the marketplace. Such coverage shall be single limit liability with no annual aggregate.

1.13.2 Airline Insurance

(ii) Automobile Liability Insurance in an amount not less than $10 million combined single limit per occurrence (for automobiles used by Airline in the course of its performance hereunder, including Airline's non-owned and hired autos). In addition, Airline shall carry excess coverage in the amount of $25 million to Airline automobile liability insurance.

STL

(iii) Workers' Compensation and Employer's Liability Insurance in accordance with Missouri laws and regulations. With respect to Workers' Compensation Insurance, if Airline elects to be self-insured, Airline shall comply with the applicable requirements of law. Airline shall require that all its subcontractors or licensees similarly provide such coverage (or qualify as self-insured) for their respective employees. City, its officers, employees, or agents shall not be liable or responsible for any claims or actions occasioned by Airline's failure to comply with the provisions of this Subparagraph and that the indemnification provisions hereof shall apply to this Section. It is expressly agreed that the employees of Airline are not employees of the City for any purpose, and that employees of the City are not employees of Airlines.

(iv) Contents Insurance. Airline shall be solely responsible for obtaining insurance policies that provide coverage for losses of Airline owned property. The City shall not be required to provide such insurance coverage or be responsible for payment of Airline's cost for such insurance.

(v) Builders Risk Insurance. During any period of construction or reconstruction for which Airline contracts Airline shall carry, or shall require its contractor or contractors to carry, a policy of Builders Risk Insurance in an amount sufficient to insure the value of the work. The City shall be named Los Payee on Builders Risk coverage to the extent of the City's interest therein (except to the extent coverage relates to Airline's equipment and personal property). Airline may elect to self-insure for individual projects with a total cost of $50,000 or less.

(vi) Other Property Coverage. Airline shall provide an "All Risk" insurance policy providing protection from direct loss arising out of nay fortuitous cause other than those perils or caused specifically excluded by norm and which covers Airline's improvements to the Leased Premises, trade fixtures and equipment. The City shall be

named Loss Payee on such coverage to the extent of the City's interest therein (except to the extent coverage relates to Airline's equipment and personal property).

1.13.2 Airline Insurance

(C) Issuers of Policies. The issuer of each policy required herein shall be a financially sound insurance company authorized is issue insurance polices I the State of Missouri. Acceptable insurers includes insurance companies with an "A.M. Best Company" rating of at least "A," or other insurers or insurance syndicated of similar recognized responsibility.

STL

(i) Form of Policies. The insurance may be in one or more polices of insurance.

(ii) Non-waiver. Nothing the City does or fails to do shall relieve Airline from its duties to provide the required coverage hereunder, and the City's actions or inactions shall not be construed as waiving the City's rights hereunder.

(iii) Insured Parties. Each policy by endorsement, except those for Workers' Compensation, Employer's Liability, and the FAA War Risk Insurance Program, shall name the City, its officers, agents and employees as "additional insured" on the certificate of insurance, including all renewal certificates, to the extent of Airline's indemnification obligations hereunder. Inclusion as an "additional insured" is not intended to, and shall not, make the City a partner or joint venturer with Airline in its operations.

(iv) Deductibles. Airline shall assume and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for the dame against the City, its officers, agents, or employees; provided, however, that nothing herein stated shall diminish Airline's rights or increase Airline's obligations in respect to its undertaking or hold harmless defense indemnification set forth in Section 1103 hereof.

(v) Cancellation. Each policy shall expressly state that it may not cancelled, materially modified or nonrenewed unless 30 days advance Notice is given in writing to the City by the insurance company, or authorized representative of Airline.

(vi) Subrogation. Each policy shall contain an endorsement by which the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.

(vii) Endorsement of Primary Insurance. Each policy hereunder except Worker's Compensation shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.

1.13.2 Airline Insurance

(viii) Liability for Premium. Airline shall be solely responsible for payment of all insurance premiums required pursuant to this Agreement, and the City shall not be obligated to pay any premiums; provided, however, that if Airline fails to obtain the insurance as required herein or make premium payments, the City may, without further notification , effect such insurance or make such payments on Airline's behalf and, after Notice to Airline, the City may recover the cost of those payments with the installment of Rents, Fees, and Charges next due, plus 15% administrative charge from Airline.

STL

(ix) Proof of Insurance. Within thirty (30) days of the Effective Date of this Agreement and at any time during the term hereof, Airline shall furnish the City with certificates of insurance. At least 5 days prior to the expiration of any such policy, Airline shall submit to the City a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Airline shall, within 15 days after the date of such notice from the insurer of such cancellation or reduction in coverage, file with the City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon reasonable notification by the City to Airline, the City shall have the right to examine Airline's insurance policies.

(D) Maintenance of Coverage. Notwithstanding the proof of insurance requirements set forth above, it is the intention of the parties hereto that Airline, continuously and without interruption, maintain in force the required insurance coverage set forth above.

(E) City Right to Review and Adjust Coverage Limits. The City reserves the right at reasonable interval during the term of this Agreement to cause the insurance requirements of this Article to be reviewed, at its sole cost, by an independent insurance consultant experienced in insurance for public airports, taking into consideration changes in statutory law, court decisions, or the claims history of the airline industry as well as that of Airline, and, based on the written recommendations of such consultant, and in consultation with Airline, to reasonable adjust the insurance coverages and limits required herein but no more often than every 24 months.

1.14 Assignments and Subletting

MWAA

1.14 Assignments and Subletting

Excerpt from MWAA Agreement:

ARTICLE 16.- TRANSFER OF PREMISES BY ASSIGNMENT, SUBLETTING, ETC., HANDLING AGREEMENTS

16.01 General. The Airline shall not assign, transfer, convey, sell, mortgage, pledge, or encumber (hereinafter collectively referred to in Article 16 as "assignment to in Article 16 as "assignment" or approval of the Authority. The Airline shall not allow the use of its Premises or Equipment through a handling or services agreement or similar arrangement (hereinafter collectively referred to in article 16 as "handling agreements") by any other Air Transportation Company without the prior written approval of the Authority. If this Airline fails to obtain prior written approval of any such assignment, sublease, or handling agreement, the Authority, in addition to the rights and remedies set forth in article 13, shall have the right to refuse to recognize the agreement and the assignee sublessee or "handled" Air Transportation Company shall acquire no interest in this Agreement or any rights to use Premises or Equipment.

16.02 Authority Approval of Assignments. It shall not be unreasonable for the Authority to disapprove or condition an assignment of the Airline's Premises or Equipment under any or all of the following circumstance, among others:

16.02.01 If the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.02.02 If said assignment would result in the transfer of fifty percent (50%) or more of any of the following: the Airline's linear feet of ticket counter space; square feet of holdroom space; or number of gate positions.

16.02.03 If the assignee is not, and is not willing to become, a Signatory Airlines.

16.02.04 If a Signatory Airline, including a Signatory Airline which is not leasing space directly from the Authority because of the unavailability of such space, is, in the determination of the Authority, in need of the Premises and/or Equipment proposed to be assigned;

provided, however, that such Signatory Airline is willing to take such Premises and Equipment on substantially the same terms and conditions relating to the use of such Premises and Equipment to be assigned as proposed in the assignment.

1.14 Assignments and Subletting

MWAA

16.02.05 If the Authority determines that there is adequate space for lease by the proposed assignee directly from the Authority.

16.02.06 If the Authority determines that the proposed assignee is not substantially as creditworthy as the Airlines.

16.02.07 Notwithstanding the foregoing, this section shall not be interpreted to preclude the assignment of this Agreement, and the Airline's rights and obligation hereunder, to a parent, subsidiary, or merged company if such parents, subsidiary, or merged company conducts an Air Transportation Business at the Airport at which the Airline is a Signatory Airline and assumes all rights and obligations hereunder. Written notice of such assumption shall be provided by the parent, subsidiary, or merge company (30) days prior to the effective day of such assignments.

16.03 Authority Approval of Subleases. It shall not be unreasonable for the Authority to disapprove or condition a sublease of the Airline's Premises or Equipment under any or all of the following circumstances, among others:

16.03.01 It the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.03.02 If said sublease would result in the sublease (i) for a period greater than fifty percent (50%) of the remaining Period of the Agreement, and (ii) is for greater than fifty percent (50%) of any of the following Premises: the Airline's linear feet of ticket counter space; square feet of holdroom space; or number of gate positions.

16.03.03 If the sublease is an Air Transportation Company who is not, and is not willing to become, a Signatory Airline.

16.03.04 Is a Signatory Airline, including a Signatory Airline which is not leasing space directly from the Authority because of the unavailability of such space, is , in the determination of the Authority, in need of the Premises and/or Equipment proposed to be subleased; provided, however, that such Signatory Airline is willing to take such Premises or Equipment on substantially the same terms and conditions

as proposed in the sublease and is willing to provide the Airline with a reasonable security deposit, not to exceed three (3) months' rentals.

1.14 Assignments and Subletting

MWAA

16.03.05 It the Authority determines that there is adequate space for lease directly from the Authority by the proposed sublessee or if the sublease does not contain provision which permits it to be terminated upon notice from the Authority to the parties thereto of the availability of Premises in accordance with Section 1.04.

16.04 Authority Approval of Handling Agreements. It shall not be unreasonable for the Authority to disapprove or condition a handling agreement if the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.05 Reasons for Disapproval. The circumstances under which the Authority may determine to disapprove or condition assignments, subleases, and handling agreements set forth in sections 16.02, 16.03 and 16.04 are not intended to be a comprehensive list of all those which Authority may Impose under Section 16.01.

16.06 Method of Obtaining Approval. The Airline when requesting an approval of an assignment, sublease or handling agreement under Section 16.01 shall include with its request a copy of the proposed agreement, if prepared, or a detailed summary of the material terms and conditions to be contained in such agreement. Any proposed agreement or detailed summary thereof shall provide the following information: (i) the premised and/or Equipment to be assigned, sublet, or used under a handling agreement: (ii) the terms: (iii) if a sublease, the rentals and fees to be charged; and (iv) all material terms and conditions of the assignment, sublease, or handling agreement the Authority may reasonably require. If approved, the Airline shall submit a fully executed copy of such agreement to the Authority within thirty (30) days prior to the commencement of the assignment or sublease or within fifteen (15) days after the commencement of the handling agreement.

16.07 Administrative Charge. In the event the Airline is authorized by the Authority to sublease any portion of its Premises or Equipment, the Airline may charge such sublessee, in addition to a reasonable charge for any services and Airline owned property provided by the Airline, reasonable rentals not to exceed one hundred fifteen percent (115%) or the Airlines' rentals for such portion of the Premises and Equipment.

16.08 *Airline to Remain Liable.* *The Airline shall remain fully and primarily liable during the Period of this Agreement for payment of all of the rental due and payable to the Authority for the Premises and Equipment that are subject o an assignment, sublease, or handling agreement under Section 16.01, and fully responsible for the performance of all the other obligation hereunder, unless otherwise agreed to by the Authority; provided, however, this Section 16.08 shall not apply to Premises and Equipment with respect to which an assignment has been made at the Authority's request pursuant to Paragraph 16.02.4 hereof.*

1.14 Assignments and Subletting

MWAA

16.09 *Authority Determination of Type of Agreement.* *The Authority shall have the right to examine the terms of any agreement or arrangement submitted it for approval pursuant to this Article 16, and determine whether such agreement or arrangement is most appropriately characterized as an assigned, sublease, or handling agreement, regardless of the Airline's characterization of such arrangement.*

Excerpt from PIT Agreement:

PIT

ARTICLE 18

ASSIGNMENT

Section 18.01—Assignment and Sublease by Airline

A. Except as otherwise provided in this Agreement (including, but not limited to, the provisions of Section 3.04), Airline covenants that is shall not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber the Leased Premises or assigned aircraft parking positions or any part thereof, or any rights of Airline hereunder or allow the use of such Leased Premised or assigned aircraft parking positions hereunder by any other person without the prior written consent of the Director; provided, however, that without such consent Airline may assign its rights under this Agreement to any corporation with which Airline may merge or consolidate pursuant to Section 19.14. Consent by the Director to any type of transfer described in this Paragraph A or elsewhere in this Agreement small not in any way be construed to relive Airline from obtaining further authorization from the Authority for nay subsequent transfer of any nature whatsoever.

B. Notwithstanding any assignments, sublet or any other transfer of the Leased Premises assigned aircraft parking position or

any rights hereunder (other than a relocation by Airline, with the prior written consent of the Director, to other premises (other than a Special Facility) and aircraft parking positions in the Terminal Complex Area and the Terminal Ramp Area, respectively, which are equivalent to the premises and aircraft parking positions leased and assigned to Airline immediately prior to such relocation), Airline shall remain fully liable for the payment of all of its Airline Fees and Charges and fully responsible for the performance of all of its other obligations hereunder.

1.14 Assignments and Subletting

C. Any and all requests by Airline for authorization under Paragraph A of this Section 18.01 shall be made in writing by certified mail to the Director and shall include copies of the proposed documents of transfer. Said documents of transfer shall completely disclose any and all monetary consideration paid to Airline for said transfer.

PIT

D. If any transfer of Airline's interest hereunder shall occur, whether or not prohibited by this Section 18.01, the Authority may collect Airline Fees and Chagres from any assignee, sublessee or transferee of Airline and in such event shall apply the new amount collected to the Airline Fees and Charges payable by Airline hereunder without such action by the Authority releasing Airline from its Agreement or any of ills obligations hereunder if any transfer prohibited by this Section 18.01 shall occur without authorization of the Authority and the Authority collects Airline Fees and Charges from any assignee, sublessee or transferee of Airline and applies the new amount collected in the manner described in the preceding sentence, such actions by the Authority shall not be deemed to be waiver of the covenant contained in this Section 18.01 or constitute acceptance of such assignee, sublessee or transferee by the Authority.

Section 18.02—Assignment by the Authority

The Authority may, in accordance with the Bond Ordinance, if applicable, and with the terms of this Agreement pledge certain revenues and receipts under this Agreement, pledge certain revenues and receipts under this Agreement as security for payment of the principal of, premium, if any, and interest obligations issued pursuant to Section 11.08. The Authority shall not transfer all of the Airport nor assign this Agreement to any person or entity unless such person or entity expressly assumes in writing all of the Authority's obligations hereunder.

1.15 Handling Agreements

Excerpt from BWI Agreement:

1.15 Handling Agreements

BWI

Airline shall pay to the Administration monthly five percent (5%) of its Gross Receipts from Ground Handling Services it provides to Non-Signatory Airlines, except for Administration-approved Affiliates, at the Airport.

Excerpt from PDX Agreement:

PDX

33.5 Ground Handling Arrangements
In the event Airline agrees to ground handle any portion of the operations of another Air Carrier, Airline shall provide the Port with advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Notwithstanding the provisions of the foregoing sentence, Airline shall not ground handle another Air Carrier which does not have a Signatory or Non-Signatory Agreement with the Port allowing said Air Carrier to operate at the Airport, with the exception of an Air Carrier that uses the Airport on an occasional or unscheduled basis.

Excerpt from PHL Agreement:

PHL

GROUND HANDLING SERVICES
<u>Notice</u>
In the event Airline agrees to provide Ground Handling Services to any portion of the on-Airport operations of another Air Transportation Company, except any Affiliate(s) or City-approved sublessee of Airline, Airline shall provide City thirty (30) days advance notice of such proposed activities, including, but not limited to, the following:

1. A description of the type and extent of services to be provided;

2. The Air Transportation Company to whom the services are to be provided; and

3. The aircraft gates, holdrooms and other facilities that will be involved in the Ground Handling Services and the charges therefor.

All such services shall occur within the Airline's Leased Premises, the Leased Premises of the Air Transportation Company to be ground handled, or at such other locations as may be designated by City.

Such Ground Handling Services arrangement shall be reduced to writing and is subject to the prior approval of City. City approval shall be dependent upon Airline charging reasonable fees for ground handling services.

1.15 Handling Agreements

PHL

Ground Handling Fee
Airline shall pay City a nondiscriminatory Ground Handling Fee of ten percent (10%) of Ground Handling Gross Receipts, based on the Gross Receipts derived by Airline for providing such services to Air Transportation Companies, other than for services provided to any Signatory Airline, Affiliate or City-approved sublessee of Airline, whether collected or uncollected.

Third Party Airline Service Providers
City reserves the right to establish the total number of third party airline service companies operating at the Airport. Nothing herein shall restrict City to any specific limitation whatsoever based on either a total number of providers or based on a specific type of service. In addition, nothing in this Article 5(C) shall limit or restrict the right of Airline to provide Ground Handling Services to any Affiliate of Airline or Air Transportation Company under a City-approved sublease or ground-handling agreement with Airline.

1.16 Rate Making

1.16 Rate Making

PDX

Excerpt from PDX Agreement:

RENTS

Airline's Financial Responsibility

This Agreement is residual to the extent the Signatory Airlines are obligated to: (a) discharge all claims, obligations and indebtedness payable from the Airport Revenues; and (b0 produce Net Revenues in each Fiscal year sufficient to comply with the minimum rate covenant of the Ordinance, as amended, and as it may be amended, as it may be amended from time to time, and for any additional bonds applicable to the Airfield Cost Center and terminal Cost Center. Rent is subject as provided in Section 20.

Landing Fees

1.16
Rate Making

PDX

Amount of Landing Fees

Airline's Landing Fees shall be the amount which is equal to the product of the then current Landing Fee rate, and Airline's Revenue Landed Weight. The rate shall be the Net Requirement for the Airfield Cost Center, divided by the total Revenue Landed Weight for all Signatory Airlines during the Fiscal Year.

Reporting of Landing Fees

Airline shall report payment for Landing Fes on the form provided for in Section 18.2.1, and shall also include a report of monthly revenue Landed Weight which support its calculation of its Landing Fees. The Port may also invoice Airline for Landing Fees. The Port may also invoice Airline for Landing Fees based on other reasonable and accurate information gathered from other sources. If the Port invoices Airline based on an alternate source, Airline shall have the right to review and provide additional information to the Port justifying the Airline's position.

Aircraft Parking Fees

The Port shall set rates for aircraft parking, and may adjust those rates from time to time. Air Carriers who elect to park aircraft will self-report all usage on their monthly landing and gate use report. The Port, however, reserves the right to utilize other reasonable and accurate systems to determine usage, and to bill Airline for their use of aircraft parking areas.

Aircraft Apron

Aircraft Apron Fees

For Aircraft Aprons associated with holdroom(s) classified as Preferential Space, Airline shall pay to the Port:

For each wide-body Aircraft Apron, TWENTY-FOUR THOUSAND THREE HUNDRED DOLLARS AND NO CENTS ($24,300.00) per year.

For each narrow-body Aircraft Apron, SIXTEEN THOUSAND TOW HUNDRED DOLLARS AND NO CENTS ($16,200.00) per year.

For ground-load Aircraft Aprons capable of simultaneous use by more than one 91) aircraft, SIX THOUSANS FOUR HUNRED EIGHTY

DOLLARS AND NO CENTS ($6,480.00), multiplied by the number of parking positions, per year.

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Rate Making

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For Aircraft Aprons capable of simultaneous use by more than one aircraft and which Aircraft Apron is associated with a Non-Preferential Ground Load Holdroom, the Aircraft Apron Fee shall be SIX THOUSAND FOUR HUNDRED EIGHTY DOLLARS AND NO CENTS ($6,480.00), multiplied by the number of parking positions, per year. Airline's portion for said Aircraft Apron(s) shall be prorated, based upon Airline's percentage of the total Enplaned Passengers among all the Air Carriers using said Aircraft Carriers using said Aircraft Apron(s). For the purpose of the calculations of this Section, the provisions of Section 18.23 shall apply.

For any other Aircraft Apron, Airline shall pay an amount agreed upon by the Port and Airline.

Adjustments to Aircraft Apron Rates

The above rate for Sections 18.4.1.1 and 18.4.1.2 shall be adjusted each Fiscal Year, commencing July 1, 2006, in accordance with the U.S. Implicit Price Deflator Index. The base year for such adjustment shall be calendar year 2005.

Exclusive Space

Airline's monthly rents for its Exclusive Space are shown on ***Exhibit C.***

Preferential Space

Airline's monthly Rents for its Preferential Space are shown on ***Exhibit C.***

Shared Space

Airline's monthly Rents for its Shared Space are shown on ***Exhibit C.***

Baggage Claim Area

Baggage Claim Area Rent Allocation

The Port shall invoice Airline monthly for Airline's share of the Rents for the Baggage Claim Area, as determined in this Section 18.8. The Rent for the Baggage Claim Area shall be calculated as the product of the Applicable Terminal Rent rate, determined in accordance with Section 19 for each type of space, and the amount of each type of

space, Rent for the Baggage Claim Area is calculation and paid, as follows:

Ten percent (10%) of the total amount calculated for the Baggage Claim Area shall be divided equally among all Air Carriers, except those qualifying as exempt under Section 18.8.3. The Air Carrier shall be obligated for this amount from the first (1st) day of the month in which the Air Carriers provide service, through the end of that Fiscal Year, regardless of whether or not the Air Carrier continues to operate at the Airport and regardless of how much the Air carrier used the Baggage Claim Area within the Fiscal Year.

Ninety percent (90%) of the total amount calculated for the Baggage Claim Area shall be prorated, based upon the number of actual Deplaned Passengers, less the number of Connecting Passengers (if reported), among the Air Carriers using the Baggage Claim Area.

Reporting of Baggage Claim Use

In order to allow the Port to calculate Airline's share amount of Baggage Claim Area use, Airline shall provide the Port with the required information, as set forth in Section 18.21 and 18.23. The Port may use other reasonable and accurate alternate source of information to calculate said amount. If the Port invoices Airline based on an alternate sources, Airline shall have the right to review and provide additional information to the Port justifying the Airline's position.

Airline Carriers Exempt from Baggage Claim 10 % Component

The following classes of Air Carriers shall be exempted from Section 18.8.1 (a) if:

- *the only aircraft used by the Air Carrier at the Airport has less than a twenty (20) seat capacity;*
- *the Air Carrier is an Affiliate that used the Airport solely as an affiliate (because the Air Carrier who contracts with the Affiliate is already paying the ten percent [10%]);*
- *the Air Carrier provides service to Airport on an occasional unscheduled basis;*
- *the Air Carrier operates solely as an international carrier, and does not use the Baggage Claim Area.*

Non-Preferential Ground Load Holdrooms

The Port shall invoice Airline monthly for Airline's share of the Rents for Non-Preferential Ground Load Hold rooms. Airline's share be calculated as follows: Airline's percentage of the total Enplaned passengers among all the Air Carriers using said Non-Preferential Ground Load holdroom, multiplied by the product of the amount of holdroom space and the holdroom rate, as calculated in accordance with Section 19. The holdroom rate used herein shall be subject to the provisions of Section 20. In order to allow the Port to calculate Airline's share, Airline shall provide the Port with its use information, in accordance with Sections 18.21 and 18.23. The Port may use reasonable and accurate alternate sources of information to calculate said Airline's share. If the Port invoices Airline based on an alternate source, Airline shall have the right to review and provide additional information to the Port justifying the Airline's position.

18.10 Instant Ticketing Machines

There is no additional charge for ITMs located within the Premises. Airline's ITMs located in the Public Area shall bear a monthly fee ("ITM Fee") to be paid to the Port at the beginning of each month, calculated based on the number of Airline's ITMs in the Public Area, times seven (7) square feet, times the rental rate for Type 1 – (ATC) ticket counter space. If the Port determines the IMT occupies more than serve (7) square feet, the Port may charge the Airline for additional square footage or deny the request for placement in the Public Area. The ITM Fee shall be adjusted subject to the provisions of Section 20.

18.11 Common Use Areas and Month-to-Month Ticket Office

Airline shall pay for the use of Common Use Ticket Counter and Common Use Gates at rates based on the daily average cost for each type of Common Use Space. The rate for Common Use Ticket Counters shall include the Baggage Make-up Area and associated conveyor in the base rate. The rate for a Common Use Gate shall include the Aircraft Apron Fee and loading bridge fee associated with the Common Use Gate. The rate shall be calculated assuming three (3) uses daily, with each use lasting two (2) hours. The maximum daily fee for a single use of a Common Use Gate shall be three (3) times the hourly rate, plus twenty-five percent (25%) of the Landing Fee as an aircraft parking fee. Month-to-Month Ticket Office space will be charged at the Signatory or Non-Signatory rate, depending on the status of the Air Carrier using the space. These rate shall be revised annually (July 1) and will fluctuate proportionately with the other Terminal Rent rates. Month-to-Month Ticket Office space will be

charged at Type 2-(ATO) ticket office rates and shall be adjusted subject to the provisions of Section 20.

18.12 International Arrival Facility Rate

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Rate Making

PDX

If Airline uses the International Arrivals Facility (IAF), it shall pay IAF Fees equal to the IAF Rate multiplied by the number of Deplaned Passengers using IAF. The IAF Rate as of the Commencement Date is FOUR DOLLARS AND NO CENTS (A$4.00), per passenger, and will increase by six percent (6%) as of July 1 of each year beginning July 1, 2006, throughout the term of this Agreement. The IAF Rate may not be sufficient to generate IAF Fees to pay O&M Expenses and debt services requirements of IAF. The Passenger Carries pay the difference (if any) as part of Terminal Rent.

18.13 Equipment Rent

Airline's Rent for equipment owned by the Port and leased to Airline, as set forth on ***Exhibit C,*** *shall be in addition to the Rent charge for space leased to Airline. Although the Rent is referred to as "Annual Rent," it billed in monthly installments. The Rent applicable to each type of equipment shall be calculated as follows:*

Aircraft loading bridges. The annual Rent for each Aircraft loading bridge shall be the average of the capital cost, including Debt Service Coverage and Port incurred O&M Expense for all such aircraft loading bridges.

Bag make-up conveyor systems. The annual Rent shall be equal to the rate per linear foot, multiplied by the length of the conveyor as shown in ***Exhibit B*** *and* ***C.*** *The rate per linear foot shall be the sum of capital costs including Debt Service Coverage and Port incurred O&M Expenses for all bag make-up conveyor systems divided by the linear footage of all bag make-up conveyor systems. The Port may make outbound baggage system improvements, including an in-line explosive detection system, during the term of this Agreement. The Signatory Passenger Airline s and Port agree that if and when a future Capital Expenditure is made to construct outbound baggage improvements, including an in-line explosive detection system, a revised calculation methodology will be agreed upon by the Port and the Signatory Passenger Airlines prior to commencement of construction. The Port will work with committee of AAC representatives to develop a methodology acceptable to both parties. The AAC Chair shall designate a subcommittee not exceeding three (3) Airline representatives to work with the Port to develop the methodology. The methodology agreed to*

by the Port and this subcommittee will be binding on the Port and all Signatory Passenger Airlines.

Tenant improvements. The annual Rent for tenant improvements shall be equal to the capital cost including Debt Services Coverage.

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Rate Making

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Any other equipment owned by the Port and leased by Airline shall bear an annual Rent equal to the capital costs, including Debt Services Coverage and Port incurred O&M Expenses for each such piece of equipment.

In calculating the annual capital cost referred to in paragraphs 18.13 (a), 18.13(b), and 18.13(c), of this Section, the useful life of aircraft loading bridges shall be fifteen (15) years; the useful life conveyor systems shall be ten (10) years; and the useful life of tenant improvements shall be ten (10) years.

Billable Fees for Equipment

The Port may charge Airline directly for repairs and/or O&M Expenses for equipment, which the Port reasonably believes to beyond normal wear and tear and which are the Port reasonably believes to be caused by Airline. Any such items charged to Airline shall be excluded from the calculation of O&M Expenses in Section 18.13.

Employee Parking Fees

Should Airline request parking for its employees in the area(s) designated by the Port pursuant to Section 16, Airline shall pay employee parking fees calculated as the product of the employee parking rate or rates, multiplied by the number of employee parking spaces requested by Airline. Parking fees are set by the Port and are subject to increase at any time upon ninety (90) days written notice to Airline.

Excerpt from PHL Agreement:

PHL

Article 18

TERMINAL AREA REQUIREMENT

A. Terminal Area- Residual Cost Center

1.16
Rate Making

PHL

City shall employ a cost center residual methodology for charging terminal Area rental and fees using Airline Space in calculating the Average Terminal Rental rate per square food and associated Category Terminal Rental Rates according to Types of Space for the Terminal Area Cost Center. The rates and charges schedule attached hereto as Exhibit G is provided for illustrative purposes only and reflects the Terminal Rentals calculation methodologies. Terminal Rentals will be recalculated annually for each Fiscal Year for the term hereof, unless otherwise adjusted, as outline below.

B. Terminal Area Requirement

The Terminal Area Requirement for each Fiscal Year shall be the amount in the Annual Budget equal to:

1. The sum of Operating Expenses, Debt Service and Fund Requirements allocated to the Terminal Area Cost Center;

2. Less all Non-Airline Revenues allocated to the Terminal Area Cost Center;

3. Together with any deficit or credit estimated in the Annual Budget for operation of the Terminal Area during the then-current Fiscal Year or nay adjustment carried over from the preceding Fiscal Year to reflect any difference between the actual versus estimated surplus or deficit; and

4. Less the Airline Revenue Allocation allocated to the Terminal Area Cost Center, if any.

C. Category Terminal Rental Rates

1. Types of Space. For any given Fiscal Year, Airline Space shall be classified by Type of Space as set forth in the table below as reflected and defined in Exhibit B:

Types of Space	*Location/Function*	*Weighted Value*
1	*Ticket counter and ticket Counter office*	*100%*
2	*Holdrooms, baggage claims area Area, baggage claim offices, Airline lounge, upper level Airline Space*	*75%*
3	*Airline Operations Space, baggage baggage makeup, Inbound baggage*	*50%*
4	*FIS Area, Cart Tunnel/Baggage Recheck*	*25%*

2. Category Terminal Rental Rates. For any given Fiscal Year, the Category Terminal Rental Rates for the Airline Space square footage shall be calculated as follows:

(a) Classify all Airline Space by Types of Space described above;

(b) Multiply the total square footage of each Type of Space by the weighted value of each Type of Space identified in article 18(C)(1) to determine the weighted equivalent square footage;

(c) Sum the weighted equivalent square footage for all the Types of Space to determine total weighted equivalent square footage;

(d) Divide the Terminal Revenue Requirement by the total weighted equivalent square footage to establish the Type 1 Rental Rate;

(e) Multiply the Type 1 Rental Rate by the weighted value of each Type of Space identified in Article 18(C) (1) for Types 2, 3 and 4 to determine the Category Terminal Rental Rate for each of the remaining Types of Space.

Article 19
TERMINAL RENTALS

A. Leased Premised Terminal Area

1. Leased Premises Terminal Area Rentals. The Category Terminal Rental Rates for the Types of Space contained in the Leased Premises Terminal Area (except the Ramp Area) for any

given Fiscal Year shall be established as set forth in Article 18(C) hereof.

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Rate Making

PHL

2. Airline's Terminal Rentals for Airline's Leased Premises. The Rents associated with Airline's Leased Premised for any given Fiscal Year, shall be calculated by multiplying the Category Terminal Rental Rates for each Type of Space by the corresponding square footage of each Type of Space included in Airline's Leased Premises.

B. Joint Use Terminal Area

The Joint Use Terminal Area includes the Domestic Baggage Claim Individual Area, domestic Baggage Make-up Individual Areas and Cart Tunnel/Baggage Re-check Areas.

1. Domestic Baggage Claim Individual Areas. The square footage associated with each Domestic Baggage Claim Individual Area shall be allocated among Signatory Passenger Airlines on the basis of the Joint Use Area Formula.

2. Airline's Terminal Rentals for Domestic Baggage Claim Individual Area(s). Airline's Terminal Rentals for Domestic Baggage Claim Individual Area(s) shall be equal to the Category Terminal Rental Rates for the Types of Space contained in Domestic Baggage Claim Individual Area(s) allocated to Airline for any given Fiscal Year.

3. Domestic Baggage Make-up Individual Areas. The square footage associated with each Domestic Baggage Make-up Individual Area shall be allocated among Signatory passenger Airlines on the basic of Joint Use Area Formula.

4. Airline's Terminal Rentals for Domestic Baggage Make-up Individual Area(s). Airline's Terminal Rentals for Domestic Baggage Make-up Individual Area(s) shall be equal to the Category Terminal Rental Rate for the Type of Space contained in the Domestic Baggage Make-up Individual Area(s) multiplied by the corresponding square footage of the Domestic Baggage Make-up Individual Area(s) allocated to Airline for any given Fiscal Year.

5. Cart Tunnel/Baggage Recheck Areas. The square footage associated with each Cart Tunnel/Baggage Recheck

Are shall be allocated among domestic Signatory Passenger Airline on the basis of the Joint Use Area Formula.

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Rate Making

PHL

6. Airline's Terminal Rentals for Cart Tunnel/Baggage Recheck Areas. Airline's Terminal Rentals for Cart Tunnel/Baggage Recheck Area(s) shall be equal to the Category Terminal Rental Rates for the Types of Space contained in the Cart Tunnel/Baggage Recheck Area(s) shall be equal to the Category Terminal Rental Rates for the Types of Space contained in the Cart Tunnel/Baggage Recheck Area(s) multiplied by the corresponding square footage of the Cart Tunnel/Baggage Recheck Area(s) allocated to Airline for any given Fiscal Year.

C. International Common Use Areas

The International Common Use Areas shall include the International Common Use Ticket Counter Areas, the International Common Use Enplaning Areas, the International Common Use Deplaning Areas and the FIS Areas.

1. International Common Use Ticket Counter Areas. The International Common Use Ticket Counter Area Cost shall be equal to the Category Terminal Rental Rates for the Types of Space contained I the International Common Use Ticket Counter Area multiplied by corresponding square footage of the International Common Use Ticket Counter Area for any given Fiscal Year. The International Common Use Ticket Counter Area Fee for any given Fiscal Year shall be determined by dividing the International Common Use Ticket Counter Area Costs by the sum of (i) the estimated number of Signatory Airline Enplaned Passengers utilizing the International Common Use Ticket Counter Area for any given Fiscal Year and (ii) 1.15 multiplied by the estimated number of Non-Signatory Airline Enplaned Passengers utilizing the International Common Use Ticket Counter Area for any given Fiscal Year as established in the Annual Budget.

2. Airline's International Common Use Ticket Counter Area Fees. The Rents associated with Airline's use of the International Common Use Ticket Counter Areas for any given Fiscal Year include the International Common Use Ticket Counter Area Fees, attributable to Airline determined as the product of the International Common Use Ticket Counter Area Fee multiplied by the number of Airline's Enplaning Passengers using such International Common Use Ticket Counter Area.

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Rate Making

PHL

3. International Common Use Enplaning Areas. The International Common Use Enplaning Area Cost shall be equal to the Category Terminal Rental Rates fro the Types of Space contained in the International Common Use Enplaning Area Multiplied by the corresponding square footage of the International Common Use Enplaning Area for any given Fiscal Year. The International Common Use Enplaning Area Fee for any given Fiscal Year shall be determined by dividing the International Common Use Enplaning Are Costs by the sum of (i) the estimated number of Signatory Airline Enplaned Passengers utilizing the International Common Use Enplaning Area for any given Fiscal Year and (ii) 1.15 multiplied by the estimated number of Non-Signatory Airline Enplaned Passenger utilizing the International Common Use Enplaning Areas for any given Fiscal Year as established in the Annual Budget.

4. Airline's International Common Use Enplaning Area Fees. The Rents associated with Airline's use of the International Common Use Enplaning Areas for any given Fiscal Year include the International Common Use Enplaning Area Fees, attributable to the Airline determined as the products of the International Common Use Enplaning Area Fee multiplied by the number of Airline's Enplaning Passengers using such International Common Use Enplaning Area

5. International Common Use Deplaning Areas. The International Common Use Deplaning Area Cost shall be equal to the Category Terminal Rental Rages for the Types of Space contained in the International Common Use Deplaning Area multiplied by the corresponding square footage of the International Common Use Deplaning Area for any given Fiscal Yea. The International Common Use Deplaning Area Fee for any given Fiscal Year shall be determined by dividing the International Common Use Deplaning Area Cost by the sum of (i) the estimated number of Signatory Airline Deplaning Passengers utilizing the International Common Use Deplaning Area for any given Fiscal Year and (ii) 1.15 multiplied by the estimated number of Non-Signatory Airline Deplaning Passengers utilizing the International Common Use Deplaning Areas for any given Fiscal Year as established in the Annual Budget.

6. Airline's International Common Use Deplaning Area Fees. The Rents associated with Airline's use of the International Common Use Deplaning Areas for any given Fiscal Year include the International Common Use Deplaning Area Fees, attributable to Airline determined as the products of the International Common Use Deplaning Area Fee multiplied by the number of Airline's Deplaning Passengers using such International Common Use Deplaning Area.

7. FIS Areas. The FIS Area Cost shall be equal to the Category Terminal Rental Rates for the Types of Space contained in the FIS Area multiplied by the corresponding square footage of the FIS Are for any given Fiscal Year. The FIS Area Fee for any given Fiscal Year shall be determined by dividing the FIS Area Costs by the sum of (i) the estimated number of Signatory Airline Deplaning Passengers utilizing the FIS Area for any given Fiscal Year and (ii) 1.15 multiplied by the estimated number of Non-Signatory Airline Deplaning Passengers utilizing the FIS Areas for any given Fiscal Year as established in the Annual Budget.

8. Airline's FIS Area Fees. The Rents associated with Airline's use of the FIS Area for any given Fiscal Year Include the FIS Area Fee attributable to Airline determined as the product of the FIS area, multiplied by the number of Airline's Deplaned Passengers utilizing the FIS Area.

Article 20
RAMP AREA RENTALS

A. Ramp Area – Modified Residential Cost Center

City shall employ a Cost Center modified residual methodology for charging Ramp Area rentals and fees, using Ramp Area Premises in calculating the Ramp Area Premises Rate. Ramp Rea Rentals will be recalculated annually for each Fiscal Year for the term hereof, unless otherwise adjusted, as outlined below. The Rates and Charges Schedule attached hereto as Exhibit G is provided of illustrative purpose only and reflects the Ramp Area Rentals calculation methodologies.

B. Ramp Area Requirement

The Ramp Area Requirement for each Fiscal Year shall be the amount in the Annual Budget equal to:

5. The sum of Debt service and Fund Requirements allocated to the Ramp Area Cost Center;

6. Plus two percent (2%) of the Operating Expense allocable to the Airfield Area Cost Center;

7. Less all Non-Airline Revenues, allocated to the Ramp Area Cost Center; and

8. Together with any deficit or credit estimated in the Annual Budget for operation of the Ramp Area during the then-current Fiscal Year or any adjustment carried over from the preceding Fiscal Year to reflect any difference between the actual versus estimated surplus or deficit.

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C. Ramp Area Premised Rate

The Ramp Area Requirement for each Fiscal Year shall be determined as that rate per linear foot of the Aircraft Parking restriction Line calculated as the result of the Ramp Area Requirement divided by the linear footage of the Aircraft Parking Restriction Line attributable to the Ramp Area Premises.

D. Airline's Rents for Ramp Area Premised

The Rents associated with Airline's Ramp Premises shall be equal to the Ramp Area Premised Rate multiplied by the corresponding linear footage of the Aircraft Parking Restriction Line in Airline's Ramp Premised for any given Fiscal Year.

E. Other Fees

Other Fees pertaining to the Ramp Area for any given Fiscal Year shall be determined as set forth in the Rules and Regulations consistent with this Article.

Article 21
OTHER TERMINAL AREA RATES AND FEES

A. Domestic Common Use Terminal Area

The Domestic Common Use Gate Fee and Domestic Common Use Ticket Counter Fee per Turnaround Use of any given Fiscal Year shall be established in the Rules and Regulations and determined assuming four 94) Turnaround Uses per day.

B. Other Fees

Other Fees pertaining to the Terminal Are for any given Fiscal Year shall be determined as set forth in the Rules and Regulations consistent with Articles 18, 19, 20, and 21 of this Agreement.

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Article 22
AIRFIELD AREA REQUIREMENT

A. Airfield Area – Residual Cost Center

City shall employ an Airport cost center residual methodology, including the Airfield, Other Buildings and Areas, and Northeast Philadelphia Airport Cost Center in calculating Airfield Area rentals and fees, employing the aggregate of (i) Signatory Airlines' and (ii) Signatory Airline Affiliates aggregate Maximum Landed Weight in calculating the Landing Fee Rate for any given Fiscal Yea. The Rates and Charges schedule attached hereto as Exhibit G is provided for illustrative purposes only and reflects the Landing Fee Rate calculation methodology. The Landing Fee Rate will be recalculated annually for each Fiscal Year for the tem hereof, unless otherwise adjusted, as outlined below.

B. Airfield Area Requirement Calculation

The Airfield Area Requirement for each Fiscal Year shall be the amount in the Annual Budget equal to:

1. The sum of Operating Expenses, Debt Services and fund Requirements for the Fiscal year allocable to the Airfield Area, Other Buildings and Areas, and Northeast Philadelphia Airport;

2. Less two percent (2%) of Operating Expenses allocable to the Airfield Area that are recovered through Ramp Area Rentals; and

3. Less all Non-Airline Revenues allocated to the Airfield Area, Other Building and Areas and Northeast Philadelphia Airport Cost Center, as contained in the Annual Budget; and

4. Less all Non-Signatory Landing Fees, assumed in the Annual Budget to be equal to the Non-Signatory Landing Fee Rate multiplied by the aggregate Maximum Landed Weight of Non-Signatory Airlines; and

5. Together with any deficit or credit estimated in the Annual Budget for operation of the Airfield Area during the then-current Fiscal Year or any adjustment carried over from the preceding Fiscal Year to reflect any difference between the actual versus estimated surplus or deficit; and

6. Together with any deficit or credit estimated in the Annual Budget for operation of the Other Buildings and Areas during the then-current Fiscal Year or any adjustment carried over from the preceding Fiscal Year or any adjustment carried over from the preceding Fiscal Year to reflect any difference between the actual versus estimated surplus or deficit; and

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7. Less the Airline Revenue Allocation allocable to the Airfield are, if any; and

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8. Together with any deficit or credit estimated in the Annual Budget for operation of the Northeast Philadelphia Airport during the then-current Fiscal Year or any adjustment carried over from the preceding Fiscal Year to reflect any difference between the actual versus estimated surplus or deficit.

C. Landing Fee Rate

The Landing Fee Rate shall be calculated by dividing the Airfield Area Requirement by the sum of (i) the aggregate Maximum Landed Weight of the Signatory Airlines and (ii) the aggregate Maximum Landed Weight of the Signatory Airline Affiliates that have executed an operating License for any given Fiscal Year.

SEA

Excerpt from SEA Agreement:

ARTICLE 8
COMPENSATORY RATES AND CHARGES FOR 2004-2005

8.1 ***Compensatory Rates.***

The Landing fees and Terminals Rents to be charges by the Port and paid by Airline (and by all other Signatory Airlines) for its use of the Airport from January 1, 2004 until the expiration or earlier termination of this Agreement shall be calculated using compensatory rate-setting methods, as set forth in this Article.

8.2 ***Landing Fee.***

The Landing Fee effective January 1, 2004 and the Landing Fee effective on January 1, 2005, shall be determined according to the method set forth in the this Section..

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8.2.1 Airfield Revenue Requirement. The Port will calculate the airfield revenue requirement by computing the sum of the following budgetary items:

(a) *1.25 times the sum of the annual debt service allocable to bond-funded airfield capital projects and the share of annual debt services allocable to bond-funded Airport roadways projects or other bond-funded Airport infrastructure or system wide projects that is allocable to the airfield, all for projects that have been completed or for which the capitalized interest fund has been exhausted (a copy of the current Debt Service Schedule is attached hereto as* ***Exhibit I);*** *plus*

(b) *the annual amortization allocable to equity-funded airfield capital projects and other equity-funded projects of the type described in subsection 8.2.1 (a) that is allocable to the airfield. Calculated for each project in use of January 1, 2004 based upon net book value as of December 31, 2003, the weighted average remaining useful life of all such projects and an annual amortization rate of 8.0%, and calculated for future projects that come into use during the Term based upon actual cost, the useful life of each such project and an annual amortization rate of 8.0%(a copy of the current Amortization schedule is attached hereto as* ***Exhibit J)****; plus*

(c) *the annual operating and maintenance expenses allocable to the airfield and the share of such expenses of the projects described in the subsection 8.2.1 (a) allocable to the airfield; plus*

(d) *the annual interest charges attributable to borrow against future grant payments to be made in accordance with the FAA's Letter of Intent for the Third Runway or attributable to commercial paper or other debt instruments used to provide interim financing for airfield capital improvements; plus*

(e) *the allocated share of annual debt service attributable to the Port Headquarters at Pier 69, without debt service coverage; plus*

(f) *deposit needed to replenish debt service reserve funds allocable to the airfield to require levels; plus*

(g) *the allocated share of annual capital cost, amortization and operating costs attributable to Port-occupied space in the Terminal used in connection with the management, administration or operation of the Airfield area: less*

(h) *revenues (other than Landing Fees charges to Air Carriers) that are received by the Port for the use of the airfield, including*

revenue derived from Landing Fees paid by Non-Signatory Airlines, but only to extent, if any, that the Non-Signatory Landing Fee levied by the Port exceeds the Landing Fee levied upon Signatory Airline; revenue derived from annual aircraft parking land rental charges of 10% of the appraised value of the land reserved for aircraft parking position at all gates based on its highest and best use and determined in accordance with customary commercial real estate appraisal method; and aircraft parking charges for hardstands not contiguous. to the Terminal

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8.2.2 Projected landed Weight The Port will project the aggregate certificated Maximum Gross Landed Weight for all aircraft carrying passenger or cargo in commercial service that are expected to land at the Airport during the year.

8.2.3 Calculation of Landing Fee. The Port will calculate the Landing Fee by dividing the airfield revenue requirement by the projected landed weight, yielding a Landing Fee to be expressed in dollars and cents per one thousand pounds in landed weight. Landing Fees will be levied upon Airline based upon the aggregate certificated maximum gross landed weight of all aircraft operated by Airline that land at the Airport.

8.3 ***Terminal Rents.***

The Terminal Rents effective January 1 2004 and the Terminal Rents to be effective on January 1, 2005 shall be determined according to the method set forth in this Section.

8.3.1 Terminal Revenue Requirement. The Port will calculate the aggregate Terminal Revenue Requirement by computing the sum of the following budgetary items:

(a) an annual terminal land rental charge of 10% of the appraised value of the Terminal are, depicted in ***Exhibit K,*** *attached hereto and incorporated herein by this reference, based on its highest and best use and determined in accordance with customary real estate appraisal method; plus*

(b) 1.25 times the sum of the annual debt service allocable to bond –funded terminal capital projects and the share of annual debt service allocable to bond-funded Airport roadway projects or other bond-funded Airport infrastructure or system wide projects that is allocable to the Terminal, all for projects that have been completed or for which the capitalized interest fund has been exhausted (a copy of the current Debt Service Schedule is attached hereto as ***(Exhibit I);*** *plus*

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(a) The annual amortization allocable to equity-funded terminal capital project and other equity-funded projects o the type described in subsection 8.3.1 (b) that is allocable to the Terminal, calculated for each projected in use on January 1, 2004 based upon net book value as of December 31, 2003, the weighted average remaining useful life of all such projects such projects and an annual amortization rate of 8.0%, and calculated for future projects that come into use during the Term, based upon actual cost, the useful life of each such project and an annual amortization rate of 8.0% (a copy of the current Amortization Schedule is attached hereto as ***Exhibit J****);plus*

(b) the annual interest charges attributable to commercial paper or other debt instruments used to provide interim financing for terminal capital improvements; plus

(c) the annual operating and maintenance expenses allocable to the Terminal and the share of such expenses for the projects described in subsection 8.3.1 9(b) allocable to the Terminal; plus

(d) deposits needed to replenish debt service reserve funds allocable to the Terminal to required levels; plus

(e) the allocated share of annual debt service attributable to the Port Headquarters at Pier 69, without debt service coverage; yielding the gross Terminal cost, less

(f) revenues received by the Port from separately established tariffs for the use of the Port owned equipment at the Terminal, including loading bridges, podiums and hold room furniture, and revenues received by the Port from separately established tariffs for the use of open storage space; less

(g) the annual capital cost amortization and operating cost attributable to Terminal system dedicated to use by Air Carriers, less

(h) the allocated share of the remaining annual capital cost, amortization and operating cost attributable to Port-occupied space in the Terminal used in connection with the management, administration or operation of the Airfield Area or of nonareornautical facilities or activities at the Airport; less

(i) the Port's pro rata share o the remaining annual capital cost, amortization and operating cost attributable to Public Areas; and less

(j) the allocated share of the remaining capital cost, amortization and operating cost attributable to space in the Terminal reserved for nonaeronautical facilities or activities; but plus

(k) the annual capital costs, amortization and operating cost attributable to Terminal systems dedicated to use by Air Carriers that were deducted in subsection 8.3.1.(i).

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8.3.2 Distribution of the Terminal Revenue Requirement. The Port will distribute the aggregate Terminal Revenue Requirement calculated in accordance with subsection 8.3.1 into four cost assignments groups: Group A (consisting of Gates, Tickets Counters and Business/Service Counters); Group B (consisting of offices and VIP lounges); Group C (consisting of Baggage Area and FIS): and Group D (consisting of closed storage space). The costs assigned to the rented space within each of these four groups shall bear the following relativities to each other on a square foot basis:

Group A:	*2.50*
Group B:	*1.50*
Group C	*1.00*
Group D	*0.50*

For the rate-setting purposes, the costs per square foot of rented space in each of these four groups will be normalized so that the aggregate cost assigned to all four groups will equal the Terminal Revenue Requirements.

8.3.3 Charges for use of Gates.

(a) Calculation of Common Use Gate Charge. The Port will calculate the revenue requirement for Common Use Gate charges by multiplying the square footage of all Common Use Gates by the per-square foot cost for Group A space and adding the costs of Gate Ramp space and Port-owned equipment and furniture associated with all Common Use Gats not otherwise recovered through separately established tariffs. The Port will then calculate separate rats for use of Common Use gates by four different classes of aircraft; (i) wide body (with capacity for 200 or more passengers); (ii) narrow body (100-199 passenger); (iii) regional (50-99 passengers); and (iv) commuter less than 50 passengers), to be levied on the basis of the total number of turns made in each class of aircraft. The charges for use of Common Use Gates by aircraft within each of these classes shall bear the following relativities to each other:

Wide body:	*1.80*
Narrow body	*1.00*

Regional: 0.70
Commuter 0.40

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For rate-setting purposes, the charges per turn for each of these four classes of aircraft will be normalized so that expected aggregate Common Use Gate charges equal the Common Use Gate revenue requirement. Common Use Gate charges will be levied upon Airline on the basis of the total number of turns its makes at Common Use gates with each class of aircraft; provided, however, that the charges to Airline for the use of any Common Use Gate during the year shall not exceed what Airline would have been charged if it had been assigned that Gate for its Preferential Use.

(b) Calculation of Preferential Gate Use Charge. The Port will calculate the annual rental rate for the use of each Preferential Use Gate by multiplying the square footage of each Gate by the per-square foot cost for Group A space. Preferential gate use charges will be levied upon Airline on the basis of the total square footage of Preferential Gate use space assigned to Airline.

(c) Calculation of Preferential Gate Ramp Use Charge.
The Port will calculate an annual rental charge for the use of Gate Ramp assigned for Preferential Use on the basis of ten percent (10%) of the appraised value of the Gate Ramp based on its highest and best use and determined in accordance with customary commercial real estate appraisal methods. This charge will be levied upon Airline on the basis of total square footage of Gate Ramp associated with Preferential Use Gates assigned to Airline.

8.3.4 Charges for use of Counters.

(a) *Calculation of Preferential Use Ticket Counter Charges and Exclusive use Business/Service Counters. The Port will calculate the annual rental rate for the use of each Preferential Use Ticket Counter and each exclusive use Business/Service Counter by multiplying the square footage of each Counter position by the per-square foot cost for Group A space. Charges for the use of Preferential ticket Counters and Exclusive use Business/Services Counters will be levied upon Airline on the basis of the total square footage of such Counters assigned to Airline.*

(b) *Calculation of Common Use Ticket Counter Charges. The Port will calculate an hourly charge for the use of a Common Use Ticket Counter by (i) multiplying the square footage of all Common Use Ticket Counters by the per-square foot cost for Group A, (ii) adding the product to the total number of Common Use Ticket*

Counters multiplied by 250 square feet and by the per-square foot cost for Group C space, and (iii) then dividing the sum of those two products by the expected total number of hours of use of all Common Use Tickets Counters during the year. Charges for the use of Common Use Ticket Counters and associated Common Use Baggage Make-up areas will be levied upon Airline n the basis of the number of hours that it uses any Common Use Tickets Counter; provided, however, that the charges to Airline for the use of any Common Use Ticket Counter and associated Common Use Baggage Make-up area during the year shall not exceed what Airline would have been charged if it had been assigned that Common Use Ticket Counter and associated Common Use Baggage Make-up area for its Preferential Use.

8.3.5 Charges for use of Baggage Areas.

(a) Calculation of Exclusive Use Baggage Make-up Charges. The Port will calculate the annual rental rate for the use of each Baggage Make-up area assigned for Exclusive Use by multiplying the square footage of the area by the per-square foot cost for Group C space. Charges for the use of such Baggage Make-up areas will be levied upon Airline on the basis of the total square footage of all Baggage Make-up areas assigned to Airline for its Exclusive Use.

(b) Calculation of Common Use Baggage make-up Charges. (i) As provided in subsection 8.3.4(b), the Port will consolidate with its Ticket counter charges the charge for the Common Use Baggage Make-up areas associated with Common Use ticket Counter positions. (ii) The Port will calculate the charge for the use of Common use Baggage Make-up areas associated with any Preferential Use Ticket Counter positions by multiplying 250 square feet by the per-square foot cost for Group C space. Charges for the use of Common Baggage Make-up areas associated with Preferential Use ticket Counter positions will bee levied upon Airline on the basis of the total number of such Ticket Counter position assigned to Airline for use in conjunction with Common Use Baggage Make areas.

(c) Calculation of Domestic Baggage Claim Charges. The Port will calculate the charge for the use Baggage Claim areas serving domestic flights by multiply the square footage of all such Baggage Claim areas by the per-square foot cost for Group C space to determine the Domestic Baggage Claim revenue requirement. Charges for the use of domestic Baggage Claim area shall be calculated by allocating ten percent (10%) of that revenue requirement equally among all Signatory Airline, and ninety percent (90%) of that revenue requirement shall be divided by the expected number of passengers deplaning from domestic flights arriving during the year to determine the Domestic Baggage Claim

charge per deplaned passenger. Charges for the use of domestic Baggage Claim area will be levied upon Airline on the basis of the sum of its equal share of ten percent (10%) of the revenue requirement plus the product of the total number of passengers it deplanes from domestic flights arriving during the year times the per passengers charge.

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8.3.6 Charges for use of Certain Exclusive Use Space. The Port will calculate the annual rental rate for the use of office space, including use of Shared Exclusive Premises, Airline Tickets Office and VIP lounges by multiplying the square footage of such space by the per-square foot cost for Group B space. Charges for the use of such Exclusive Use Space will be levied upon Airline on the basis of the total footage of such space assigned to Airline.

8.3.7 Charge for use of the FIS Facility and International Baggage Claim Area. The Port will calculate the charge for the use of the FIS Facility and the Baggage Claim area serving the international flights by multiplying the square footage of the FIS Facility and the international Baggage Claim Area by the per-square foot cost for Group C space to determine the FIS revenue requirement. Charges for the use of the FIS and International Baggage Claim Area shall be calculated by allocating ten percent (10%) of the revenue requirement equally among all Signatory Airline that use the FIS Facility, and ninety (90%) of that revenue requirement shall be divided by the expected number of passengers deplaning from international flights arriving during the year to determine the FIS charge per deplane passenger. Charges for the use of the FIS and International Baggage Claim will be levied upon Airline on the basis of the sum of its equal share of ten percent (10%) of the revenue requirement plus the product of the total number of passengers it deplanes from international flights arriving during the year times the per passenger charge.

8.3.8 Charge for the Use of Storage Space.

(a) Charge for Closed Space. The Port will calculate the annual rental rate for the use of closed storage space by multiplying the square footage of storage space by the per square foot cost for Group D space. Charges fro the use of closed storage space shall be levied upon Airline on the basis of the total square footage of such space assigned to Airline.

(c) *Charge for Open Space. The Annual rental rate for the use of open storage space will be fifty percent (50%) of the rate for the use of closed storage space. The rate under this subsection 8.3.98 (b) shall be referred to as cost assignment Group E. as illustrated in* ***Exhibit C*** *to this Agreement. Charges for the use of open storage space shall be*

levied upon Airline on the basis of the total square footage of such space assigned to Airline.

8.4 ***Illustration of Calculations.***

1.16 Rate Making

Exhibit L *(Landing Fee Calculation and* ***Exhibit M*** *(terminal Rents Calculation attached to this Agreement and incorporated herein by this reference, illustrate the calculation of Rates and Charges in accordance with the methods set forth in this Article based upon the budget and project levels of airport activity for Fiscal Year 2003.*

Excerpt from STL Agreement:

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ARTICLE VI
CALCULATIONOF RENTS, FEES, AND CHARGES

Section 601. General

Effective January 1, 2006, for the six –month period ending June 30, 2006, and for each Fiscal Year thereafter for the term of this Agreement, Rents, Fees, and Charges shall be calculated based on the principles and procedures set forth in this Article. The methodology for the calculation of Rents, Fees, and Charges described in this Article is illustrated in Exhibit E.

Section 602. Coordination Process

(A) On or about March 15 of each year, the City shall: (i) provide Airline's properties representative with a copy of the Airport's draft Operating and Maintenance Expense and Capital Improvements budgets for the ensuing fiscal year; and (ii) request the date required to be provided by Airline in accordance with Subsection 602(B). Within 30 days of such action, the City shall convene a meeting with the properties representative of the Participating Airlines to discuss the Airport's draft budgets. The City shall give due consideration to the comments and suggestions made by the Participating Airlines at the meeting.

(B) On or about April 1 of each year, the Signatory Airlines, including Airline, shall provide the City with an estimate of each of their total Revenue Aircraft Arrivals and the Maximum Certificated Gross Landed Weight of all aircraft expected to be landed at the Airport during the ensuring Fiscal Year. If Airline is a Participating Airline, Airline also shall make best efforts to provide the City with a similar estimate for each one of its Affiliates.

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(C) On or about May 15 of each year, the City shall provide Airline's properties representative with a copy of a preliminary calculation of Rents, Fees, and Charges for the ensuring Fiscal Year. For rate setting purposes, the calculations shall be made on the basis of costs, expenses, and other factors estimated by the City and estimates of total Landed Weight provided by the Signatory Airlines (or estimated by the City to the extent that any Signatory Airline, including Airline, fails provide estimated of Landed Weight pursuant to Subsection 602(B)).

STL

(D) On or about June 1 of each year, the City shall convene a meeting with the properties representative of the Participating Airline to review and discuss the City's preliminary calculation of Rents, Fees, and Charges for the ensuring Fiscal Year. The City shall give due consideration tot eh comments and suggestions made by the properties representatives of the Participating Airline at that meeting. Based on consideration of those comments and suggestion, and upon the Airport's final Operating and Maintenance Expenses and Capital Improvement budge approved by the City's Board of Aldermen, the City shall prepare a final calculation of Rents, Fees, and Charges for the ensuring Fiscal Year, and will make best efforts to provide a copy to Airline no later than the last business day of the month preceding the start of the new Fiscal Year. Notwithstanding anything else to the contrary, the City's final calculation of Rents, Fees, and Charges shall take effect on the first day of each Fiscal Year.

Section 603. Terminal Rental Rates

(A) The total costs attributable to each of the Terminal Buildings shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses allocable to each of the Terminal Buildings;

(ii) Amortization of Equipment Purchases and Capital Outlays allocable to each of the Terminal Buildings and put into service on or after July 1 1997, but before January 1, 2006;

(iii) Equipment Purchases and Capital Outlays allocable to each of the Terminal Buildings and put into service on or after January 1, 2006;

(iv) depreciation and interest charges attributable to each Capital Improvement made in, or allocable to, each of the Terminal Buildings and put into service before July 1, 1997;

(v) Amortization of each Capital Improvement made in, or allocable to, each of the Terminal Buildings and put into service on or after July 1, 1997;

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(vi) fifty percent (50%) of the total costs in the Terminal Roadways Cost Center allocated among each of the Terminal Buildings based on the ratio that the Usable Space in each of the Terminal Buildings is of the aggregate Usable Space in all Terminal Buildings; and

(vii) any replenishment of the Debt Services Reserve Account, and the Renewal and Replacement Fund allocable to each Terminal Building, as may be required by the Trust Indenture.

STL

(B) The total costs attributable to each of the Terminal Buildings shall then be reduced by the amount of rent payable for Apron-Level Unenclosed Space in accordance with Subsection 502(C), to derive the net cost attributable to each of the Terminal Buildings.

(C) The annual Terminal Rental Rate applicable to the East Terminal Cost Center and the West Terminal Cost Center shall then be calculated by dividing the net costs attributable to each Cost Center in accordance with Subsection 603(A) and (B), by the Usable Space in each of the respective Terminal Buildings. The respective monthly Terminal Rental Rates shall be 1/12 of the annual Terminal Rental Rates.

(D) The City shall establish annually a terminal rental rate applicable to Nonsignatory Airlines equal to 125% of the respective Terminal Rental Rate calculated in accordance with Subsection 603(C).

(E) The City shall establish annually fair and reasonable charges for the use of the International Facilities.

Section 604. Passenger Loading Bridge Charges

The Passenger Loading Bridge Charge applicable to Subsection 504(B), shall be computed as follows:

(A) The total cost of the Passenger Loading Bridges Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, if any, allocable to the Passenger Loading Bridges Cost Center; and

(ii) Equipment Purchases and Capital Outlays, if any, allocable to the Passenger Loading Bridges Cost Center; and

(iii) The Amortization of each new passenger loading bridge acquired by the City during the term of this Agreement as a result of the City's passengers loading bridge program set forth in Section 707.

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(B) The annual Passenger Loading Bridge Charge applicable to each new passenger loading bridge shall be calculated by dividing the total cost and changes allocable to the Passenger Loading Bridges Cost Center in accordance with Subsection 604(A0), by the total number of passenger loading bridges then available for use as a result of the City's passenger loading bridge program set forth in Section 707. The monthly Passenger Loading Bridge Charge shall be 1/12 of the annual Passenger Loading Bridge Charge.

STL

Section 605 [Reserved]

Section 606. Landing Fee Rate

(A) The total costs of the Airfield Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expense allocable to the Airfield Cost Center;

(ii) Amortization of Equipment Purchases and Capital Outlays allocable to the Airfield Cost Center and put into service on or after July 1, 1997, but before January 1, 2006;

(iii) Equipment Purchases and Capital Outlays allocable to the Airfield Cost center and put into service on or after January 1, 2006;

(iv) Depreciation and interest charges attributable to each Capital Improvement made in, or allocable to, the Airfield Cost Center and put into service before July 1, 1997;

(v) Amortization of each Capital Improvement made in, or allocable to, the Airfield Cost Center and put into service on or after July 1, 1997;

(vi) Amortization of land investment associated with the Airfield Cost Center and made on or after July 1, 1997;

(vii) 4% annual interest on the net cost of land investment associated with the Airfield Cost Center made prior to July 1, 1997; and

(viii) any replenishment of the Debt Services Reserved Account, and the Renewal and Replacement Fund allocable to the Airfield Cost Center, as may be required by the Trust Indenture.

1.16
Rate Making

(B) The "Airfield Requirement" shall then be calculated by subtracting the following revenue items from the total costs of the Airfield Cost Center.

(i) Nonsignatory Airline landing fees;

(ii) general aviation landing fees, if any;

STL

(iii) military use fees, if any, and

(iv) fuel flowage fees.

(C) Based on the Airfield Requirement , two different Landing Fee Rates shall then be calculated, as follows;

(i) the "Unmitigated Landing Fee Rate" shall be calculated by dividing the Airfield Requirement by the aggregate Landed Weight of all Signatory Airlines for the particular Fiscal Year; and

(ii) the "Mitigated Landing Fee Rate" shall be calculated by subtracting from the Airfield Requirement an amount equal to the amount transferred from the Airport Contingency Fund into the Airport Revenue Fund (if any) for landing fee rate mitigation s described in Section 607 below, to produce the "Mitigated Airfield Requirement," and then dividing the Mitigated airfield Requirement by the aggregate Landed
Weight of all Signatory Airlines for the particular Fiscal Year; provided, however, that for purposes of the annual calculation of Rents, Fees, and Charges under Section 602, the City shall make the assumptions set forth in Section 503.

(D) The City shall establish annually a landing fee rate applicable to Nonsignatory Airlines that have signed an airline operating agreement equal to the landing fee rate calculated in accordance with this Section.

Section 607. Landing Fee Rate Mitigation

(A) Subject to the availability of funds and annual appropriations, the City shall transfer a total of $40 million (or such smaller amount to determined by the City as a result of the reductions

to be calculated in accordance with Subsection 607(B)), in annual installments, which amounts shall be subtracted from the Airfield Requirement to mitigate landing fee rates over the five fiscal years (FY 2007-FY2011). The maximum allocation by Fiscal Year of the amount to be transferred and made available for Landing Fee Rate mitigation is a follows:

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FY 2007	*$12,000,000*
FY 2008	*$10,000,000*
FY2009	*$ 8,000,000*
FY2010	*$ 6,000,000*
FY2011	*$ 4,000,000*
	$40,000,000

STL

The final allocation by Fiscal Year of the amount to be transferred and made available for Landing Fee Rate mitigation shall e made a the discretion of the City with the objective of easing the financial impact of the Airfield Cost Center by smoothing out year-to-year variations in Landing Fee Rates payable by all airlines serving the Airport.

(B) The total amount available for Landing Fee Rate mitigation (and, proportionally, the amount allocated for such purpose in each Fiscal Year), shall be adjusted based on the actual aggregate landed Weight of all Participating Airline and their Affiliated during each Fiscal Year, compared with the aggregate Landed Weight of all Participating Airline and their Affiliates for the 12-months period ending December 31, 2005 ("CY2005"), as shown below:

1.16
Rate Making

STL

Rate Mitigation Pro-Forma

ANDED WEIGHT EQUIREMENT	APPLICABLE MITIGATION					
the aggregate anded Weight of articipating Airlines nd their Affiliated uail at lease z% of omparable Landed Veight of those irlines in CY 2005,	FY2007	FY2008	FY2009	FY2010	FY2011
100%	$ 6,000,000	$5,000,000	$4,000,000	$3,000,000	$2,000,000
101%	$12,000,000	$7,000,000	$5,000,000	$3,500,000	$2,100,000
102%		$10,000,000	$6,000,000	$4,000,000	$2,200,000
103%			$8,000,000	$4,500,000	$2,500,000
104%				$6,000,000	$3,000,000
105%					$4,000,000

Actual amounts available for Landing Fee Rate mitigation are subject to the provisions of Subsection.

1.17
Billing, Payments and Adjustments

1.17 Billing, Payments and Adjustments

SEA

Excerpt from SEA Agreement:

9.1.2 Each Landing Fee payment shall be based upon Airline's estimated landed weight for that month. Airline shall provide to the Port by no later than the tenth (10th) day of each and every month Airline's Landed Weight Report for the preceding month. When remitting the Landed Weight Report to the Port as required in this Section 9.1, Airline

shall include payment for any shortfall from the estimated payment made to the Port on the first (1st) of that month. The Port will credit any overpayments made by Airline to Airline's account, and Airline may apply said credit towards Airline's next due Landing Fee payment. In the event Airline fails to provide to the Port the Landed Weight Report required under this Section, the Port shall determine the Landing Fee payment due in accordance with the provisions of subsection 8.9.4 of this Agreement.

1.17 Billing, Payments and Adjustments

PDX

Excerpt from PDX Agreement:

20.1 Annual and Periodic Rent Adjustments
Rates for Rents shall be reviewed annually, in conjunction with the Port's budgeting process, and may be adjusted effective upon the first (1st) day of each new Fiscal Year. Any adjustment shall be in conformance with the methods and format described in Section 19. In addition, the Port may adjust Rent rates in order to remain in compliance with the Ordinance, as amended, and as may be amended from time to time, with respect to the Airfield Cost Center and the Terminal Cost Center. Such adjustments may be made at any time that un-audited monthly Airport financial data indicates that total Rents payable pursuant to the then current rate schedule are estimated and anticipated by the Port to produce higher or lower Revenues than would be received if rates for Rents were based upon more current information. The Port shall provide an adjusted rate schedule to Airline at each adjustment.

PHL

Excerpt from PHL Agreement:

Mid Year Adjustment to Terminal Rentals, Ramp Premises, or Landing Fee Rate
City may implement a midyear adjustment of the Terminal Rentals, Ramp Premises Rate or Landing Fee Rate in any given Fiscal Year when City determines that the current estimate of Terminal Area, Ramp Area or Airfield Area Requirements (based on year-to-date actual information) is estimated to be ten percent (10%) or higher than the then Annual Budget. City will notify and hold a consultation meeting with the Signatory Airlines at least thirty (30) days prior to the implementation of a mid year adjustment of the Terminal Rentals, Ramp Premises Rate or Landing Fee Rate.

End of Year Reconciliation
Within ninety (90) days after the completion of City's annual audited financial statements, City shall calculate any deficit or credit in Terminal Rentals, Ramp Area Rentals and Landing Fees using actual Operating

Expenses, Debt Service, Non-Airline Revenues, Fund Requirements and Airline Revenue Allocation from the preceding Fiscal Year to determine any surplus or deficit in the amount of Airline Revenue. Any such surplus or deficit shall be included in the determination of the Airfield Area Requirement, Terminal Area Requirement, and Ramp Area Requirement for the succeeding Fiscal Year, as described in Articles 18(B)(3), 20(B)(4), 22(B)(6), 22(B)(7), and 22(B)(8).

1.17
Billing, Payments and Adjustments

Formal Amendment
Adjustments to Terminal No Rentals, Ramp Premises Rate, and Landing Fee Rates shall apply without the necessity of formal amendment of this Agreement.

PHL

PIT

Excerpt from PIT Agreement:

Section 8.04--Adjustment of Airline Fees and Charges

If on May 1 or September 1 of any Fiscal Year, the Authority's forecast based upon its most recently available information with regard to expenses and revenues actually incurred or realized during such Fiscal Year, together with the most recently available information with respect to Airline Fees and Charges actually received by the Authority, indicates that payment of Airline Fees and Charges by Signatory Airlines at the then-existing rates would result in an underpayment or overpayment of five percent (5%) or more of the amount required hereunder to be generated by the Authority through Airline Fees and Charges during such Fiscal Year, the Authority may adjust the remaining monthly Airline Fees and Charges for such Fiscal Year to conform to its current projection. The Authority shall notify Airline of its intent to adjust Airline Fees and Charges and the effective date of such proposed adjustment (which shall be no earlier than forty-five (45) days after the giving of such notice) and provide the financial justification therefore. If the Signatory Airlines shall question the appropriateness of such adjustment, a Majority-in-Interest shall have thirty (30) days after delivery to them of notice of such proposed adjustment within which to request that a meeting with the Director or a public hearing before the Authority's Board of Directors be held to discuss such adjustment. Upon receiving such request, the Authority shall schedule such a meeting or public hearing. The Authority shall give due consideration to all comments, suggestions and requests by Airline. If such meeting or hearing is requested, no proposed adjustment shall become effective until after such meeting or hearing has been held. If after such meeting or hearing, Airline shall continue to object to such adjustment, Airline shall, subject to the limitations imposed by this Agreement, be free to protest such adjustment through any lawful means.

Section 8.05--Year-End Adjustment of Airline Fees and Charges

1.17 Billing, Payments and Adjustments

A. On or before April 30 of each Fiscal Year, the Authority shall recalculate and adjust Airline Fees and Charges in effect during the preceding Fiscal Year. The Authority's adjustment shall be based on the calculation procedures established in this Agreement, but shall use actual costs, revenues, Leased Premises and Revenue Aircraft Arrivals. Said Airline Fees and Charges shall be set forth and supported by a document known as the "Statement of Airlines' Actual Annual Fees and Charges."

PIT

B. In the event that Airline's Airline Fees and Charges actually paid during such preceding Fiscal Year exceed the amount of Airline's Airline Fees and Charges required (as recalculated based on actual costs and revenues), Airline shall receive a reimbursement in the amount of such overpayment within thirty (30) days after such recalculation. If the amount of Airline Fees and Charges paid by Airline were less than the amounts required, Airline shall pay to the Authority within thirty (30) days of its receipt of the Statement of Airline's Actual Annual Fees.

1.18 Aviation Security

1.18 Aviation Security

Excerpt from AUS Agreement:

AUS

ARTICLE X - FEDERAL SECURITY REGULATIONS

All costs and expenses incurred by the Airport associated with screening and providing facilities therefore for security reasons, for passengers, other persons, baggage and hand-carried objects entering aircraft boarding areas of the Passenger Terminal Building, to comply with Federal Security Regulations, 49 CFR Chapter XII, as amended from time-to-time, or as superseded by other pertinent regulations, will be paid for by Airline and other airlines serving the Airport, which airlines are required to, or actually do, use the screening services; and such costs and expenses incurred by the Airport will be prorated among the said airlines using a formula agreed to by the airlines. Airport shall have no obligations connected with separate arrangements made by Airline and other airlines serving the Airport with service companies to provide additional functions related to screening for the airlines pursuant to the said Federal Security Regulations.

1.18 Aviation Security

MWAA

Excerpt from MWAA Agreement:

18.05 Airfield and Sterile Area Security. The Airline expressly acknowledges its responsibility to provide security for the sterile area in accordance with 14 CFR Part 107, "Airport Security," and 14 CFR Part 108, "Airplane Operator Security," as such may be amended from time to time, and with all rules and regulations of the Authority concerning security procedures, including each Airport's approved security program.

PDX

Excerpt from PDX Agreement:

36.3 Airport Security

Airline and the Port shall comply with all applicable regulations relating to Airport security, including, but not limited to, the Airport Security Plan, and shall cooperate in controlling the Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations area of the Airport. Any penalty or fines imposed upon the Port as a result of a security violation solely caused by Airline, its employees, agents or contractors, shall be paid by Airline to the Port within thirty (30) days of the Port's invoice therefore and shall bear interest at the rate of eighteen percent (18%) per annum until paid in full.

1.19 MII Approval of Capital Projects

1.19 MII Approval for Capital Projects; Formula for MII Calculation

BWI

Excerpt from BWI Agreement:

b. For the purpose of Article XVI.C.3.a of this BULA, and the MAA notification to be issued to the Signatory Airlines, new or revised Capital Improvement Project shall exclude:

1. any project listed on Exhibit 7 of this BULA ;so long as the portion of the cost of the project, as shown on Exhibit 7, to be included in an Airline Cost Center rate base is equal to or less than one hundred and three percent (103%) of the cost to be included in an Airline Cost Center rate based as shown on Exhibit 7;

2. any substitution projects for projects that are to be deleted from Exhibit 7, so long as:

(i) substitution projects are to be included in the same Airline Cost Center as the projects that are being deleted, and
(ii) the estimated cost of the substation projects to be included in a Airline Cost Center rate base is less than the portion of the estimated cost of the deleted projects that were to be included in an Airline Cost Center rate base, and
(iii) the MAA provides the Signatory Airlines with a written notification of the substitution, an opportunity for a consultation discussion if requested by any one of the Signatory Airline, and a revised Exhibit 7;

1.19
MII Approval of Capital Projects

BWI

3. any project required by any agency of the United States government having jurisdiction over activities at the Airport or by federal law or executive order;

4. any project whose principal purpose is to repair casualty damage at the Airport or to Airport property;

5. any project required to settle claims, satisfy judgment, or comply with judicial orders against the state, MDOT or the MAA by reason of ownership, operation, or maintenance of the Airport; and

6. any project that is of an emergency nature, as determined by the MAA, in its sole discretion.

c. Within thirty (30) days after deliver of the notification described in Article XVI.C.3.a. of this BULA, Airline may request in writing a consultation meeting with the MAA for the purpose of discussing any or all of the Capital Improvement Projects outline in the MAA notification. Following the receipt of such a request from any Signatory Airline, the MAA shall inform all Signatory Airlines of the date, time and location for the requested consultation meeting.

d. Prior to or as part of the MAA-Signatory Airline consultation meeting, the MAA shall identify the following for each Capital Improvement Project outline on the MAA notification;

- *the particular Airline Cost Center rate base in which the cost is to be included, upon the Substantial Completion Date of the project, and*

- *the estimated change in rates to be paid for the Signatory Airline in each of the Airline Cost Centers due to the new Amortization Requirement and Operating Expenses upon the Substantial Completion Date of the project, as compared to the rates that would otherwise be estimated by MAA if the project's cost were not included in the rate base.*

1.19
MII Approval of Capital Projects

BWI

4. Signatory Airline Concurrence Process

a. Within 30 days following the MAA-Signatory Airlines consultation meeting, Airline may identify in writing those Capital Improvement Projects from the consultation meeting for which it seeks to have the MAA conduct a Signatory Airline vote to establish concurrence.

b. For those Capital Improvement Projects subject to the Signatory Airline Concurrence Process for which more than fifty percent (50%) of the Airlines in number requested be subject to a vote to establish Signatory Airline concurrence, pursuant to the paragraph immediately above, the MAA shall establish Signatory Airline concurrence by providing all Signatory Airline with a ballot and conduct a Signatory Airline vote as follows:

- *The Capital Improvement Projects to be included on the ballot will be presented individually for Signatory Airline vote.*
- *Capital Improvement Projects on the ballot distributed to the Signatory Airlines shall be designated as receiving Signatory Airline concurrence unless concurrence is specifically withheld by Signatory Airlines with thirty (3) days of the issuance of the ballot and the Signatory Airlines withholding concurrence have paid two-thirds (2/3rds) of those rents, fees and charges paid under all existing Basic Land Use and Lease Agreements for the applicable Airline Cost Center during the six-month period prior to the distribution of the ballot.*
- *Failure of a Signatory Airline to provide a responsive ballot within the specified deadline for voting shall be deemed concurrence by that Signatory Airline.*
- *The Amortization Requirement and Operating Costs of Capital Improvement Projects, included on a ballot, that have received Signatory Airline concurrence shall be included in the applicable Airline Cost Center rate base upon the Substantial Completion Date of each such project.*
- *Projects included on a ballot that do not receive Signatory Airline concurrence may not be included in the applicable Airline Cost Center rate base during this Agreement unless a subsequent Signatory Airline vote establishing concurrence has taken place. However, at the*

1.19
MII Approval of Capital Projects

BWI

MAA's discretion, the Amortization Requirement and Operating Costs of Capital Improvement Projects (a) that are included in Exhibit 7, as amended from time to time ,and have estimated cost to be included in an Airline Cost Center rate base exceeding one hundred and three percent (103%) of the cost to be included in the Airline Cost Center rate base in Exhibit 7, as amended from time to time, (b) that have been subject consultation process as a result o the increased Capital Expenditure estimate above one hundred and three percent (103%) of the Capital Expenditure pursuant to a Signatory Airlie vote, as described in this Article XVI, ay be included in the applicable Airline Cost Center rate base upon the Substantial Completion Date of each such project, but only at a Capital Expenditure not to exceed one hundred and three (103%) of the Capital Expenditure estimate to be included in the Airline Cost Center rate base, as shown in Exhibit 7, as amended from time to time.

- *With regard to any Capital Improvement Project for which a Signatory Airline vote has withheld concurrence, the MAA may annually call for another Signatory Airline vote to establish Signatory Airline concurrence on that project.*

b. Notwithstanding any other provision of this "Signatory Airline Concurrence Process" section, Signatory Airline concurrence shall not be required or sought for capacity-enhancing Passenger Terminal Capital Improvement Projects that are proposed for implementation when one or more Air Transportation Companies that have required facilities cannot, in the MAA's judgment, have preferred flight schedules reasonably and conveniently accommodated at existing Passenger Terminal facilities, whether that be related to hold rooms, baggage processing facilities, ticketing areas. or operational support requirements. The Amortization Requirement and Operating Costs of any such capacity-enhancing Passenger Terminal Capital Improvement Projects shall be included in the applicable Airline Cost Center rate base upon the Substantial Completion Date of each such project of each such project.

c. Airline acknowledges that the results of a Signatory Airline vote that withholds concurrence on a Capital Improvement Project shall not prohibit, restrict or limit the MAA's right to include the Amortization

Excerpt from PDX Agreement:

PDX

AIRPORT CAPTIAL IMPROVEMENTS

24.1 Airport Capital Improvements Programs

The parties hereto recognize that capital development of the Airport will be required during the term of this Agreement to preserve, protect, enhance, expand, or otherwise improve the Airport, or any part thereof. The Port may, therefore, incur indebtedness and make expenditures for Capital Improvements in the Airport. Except as restricted by this Section 24, al costs associated with Capital Improvements in the Airline Supported Area, including finance charges, if any, shall be included in the calculations of Airline Rents. The Port agrees to pursue grants and to use other sources of funds, such as PFCs, coverage, and Interest Rate Swaps, to the extent the Port deems reasonable, in conjunction with issuing additional bonds to pay for Capital Improvements.

1.19 MII Approval of Capital Projects

PDX

24.2 Pre-Approved Capital Improvements Program

The Port and the Signatory Airlines have agreed to a pre-approved Capital Improvement Program ("CIP") t be allocated to the Airline Support Areas for projects commencing from July 1, 2004, through June 30, 2010, in an amount not to exceed TWO HUNDRED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00) ("CIP Cap") for the term of this Agreement. The Port further agrees that it will not begin any Capital Improvements during the term of this Agreement that will cause the TWO HUNDRED NINETY-NNE MILLION DOLLARS AND NO CENTS ($299,000,000.00) CIP Cap to be exceeded, unless the Capital Improvement is exempt under Section 24.3 or the Port uses Revenues outside of the Airline Supported Areas to complete any portion of the Capital Improvement that exceeds the CIP Cap, or the Signatory Airline otherwise approve the exceedance pursuant to Section 24.2.3 or Section 25. The CIP shall include a potion of Capital Expenditures from Indirect Cost Centers, as allocated per Exhibit E. The Airlines acknowledge the Port's CIP also includes project approved under prior agreements and those projects shall not be counted against the CIP Cap as shown and cost estimated on ***Exhibit H****. The CIP shall be subject to additional parameters as follows:*

24.2.1 CIP Cost Variances

Should the cost of the CIP exceed TWO HUNDRED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00), and the exceeding Capital Improvements is not exempt pursuant to Section 24.3, the Port will either: (a) fund excess costs without impacting Airline Rent; or (b) utilized the MII process, as provided in Section 24.4, to request additional funding. However, the Port is not required to expend the full TWO HUNRED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00), and will not spend all of the funds in the CIP

budget, if the Port determines that there are no projects needed for on-going or future Airport operations.

24.2.2 CIP Approvals

1.19 MII Approval of Capital Projects

The Signatory Airlines shall have no disapproval rights for the TWO HUNRDED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00) CIP budget. The Port shall implement the CIP at it owns discretion, in consultation with the Signatory Airlines, and subject to CIP reporting protocol set forth in Section 24.2.4.

24.2.3 Approval Capital Projects

PDX

The Port and the Signatory Airlines may agree to implement additional Capital Improvements exceeding the CIP Cap and the MII exempt projects set forth in Section 24.3. Any additional Capital Improvements, except those listed as exempt in Section 24.3, cannot be implemented by the Port without going through the MII disapproval process, unless the additional Capital Improvements will not increase Airline Rents. For the purposes of this Section, whether or not the CIP Cap has been exceeded shall be determined based on the actual amounts spent, plus all amounts "committed" to a Capital Improvement under the CIP. For purposes of this Section, an amount shall be deemed "committed" if it is presented to the ACC, as provided in Section 23.2.4. This estimated amount presented to the AAC shall be deemed the amount "committed" for purpose of determining when the CIP Cap has been exceeded, thus allowing the Port to request MII disapproval as provided in Section 24.4. If the CIP Cap has not yet been exceeded, the Port must utilized the amendment process et forth in Section 25.1 in order to request additional Capital Expenditure authority from the Signatory Airlines.

24.2.4 CIP Reporting Protocol

Prior to implementation of any Capital Expenditure with a total cost in excess of ONE MILLION DOLLARS AND NO CENTS ($1,000,000.00), THE Port will make the following information available to the Signatory Airlines on projects fact sheet covering the following: (a) project name; (b) project number; (c) project description: (d) project schedule, and (e) financial information, including total project cost, cash follow, funding plan, the anticipated operating cost, and the anticipated impact on Airline Rents. Not less than twice annually, the Port will report the ACC regarding the schedule, budget, and nay scope revisions of the Capital Program, including the remaining CIP and proposed source and used of funds.

24.2.5 CIP Scope

The Port and Airline acknowledge the CIP budget was developed based on the need for a secure passenger connector and outbound baggage improvements, including and in-line explosive detection system. Subject to unanticipated changes in circumstances, the Port plans to implement both of these projects within the TWO HUNRED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00) CIP budget. The Port and Airline also acknowledge that these two projects are "committed" towards the CIP Cap as of the Commencement Date of this Signatory Agreement in the amount of NINETY MILLION DOLLARS AND NO CENTS ($90,000,000.00) for the outbound baggage conveyor project and TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (420,200,000.00) for the secure passenger connector project.

24.2.6 Outbound Baggage System Project Commitment

The Port and Airline acknowledge the CIP Cap is based on an estimated expenditure of NINETY MILLION DOLLARS AND NO CENTS ($90,000,000.00) for the outbound baggage conveyor project. If the total cost of the outbound baggage conveyor project is less than NINETY MILLION DOLLARS AND NO CENTS ($90,000,000.00), those funds remaining after funding the full project cost shall not be available to be spent on other Capital Improvements and shall be deemed as spent funds for the purposes of calculating the CIP Cap.

24.3 Other Capital Improvements not subject to the MII Process

The following Capital Improvements are also approved, are not part of the pre-approved Capital Program, and are not subject to the MII process:

Public Safety

Improvements required, pursuant to regulations or laws promulgated by any federal, state, or local government authority having jurisdiction over the Airport, for public safety when directed by any governing authority, including , but not limited to, Department of Homeland Security, FAA, TSA, CBP, and the Federal Bureau of Investigation, the national Transportation Safety Board, U.S. Fish and Wildlife, the Department of Agriculture, or any other federal, state, or local governmental authority having jurisdiction over the Airport, Airline's operations, or the safety aspect of the Airport's operations.

Damage Not Covered by Insurance

Casualty damage to the Airport property which exceeds the proceeds of insurance, or not covered by insurance, or is below the deductible of the insurance which property must be rebuilt or replace in order to satisfy Prot obligations or to maintain required Revenues.

Lawful Compliance

1.19
MII Approval of Capital Projects

Improvements, additions or purchases necessary to insure compliance with lawful orders or requirements of other authorities with jurisdiction over the Airport's operations, or are required under the terms of federal or state grants to the Port.

PDX

Settlements

Improvements, additions, purchases or damage payments for the purposed of settling lawsuits, satisfying judgments, or complying with orders against the Port y reason of its design, ownership, operation, maintenance, or use of the Airport. To the extent the Port is able to recoup all or some of its expenditures from insurance proceeds, such amounts shall be refunded to the appropriate Cost Center.

Emergency/Failure of Essential Equipment

Improvements of an emergency nature which, if not made or commenced, would substantially impair the operation or safety of the Airport or Airline, or which has already caused the closure of, or failure of, an important aspect of Airport or Air Carrier operations.

Hazardous Substance Release

Restoration or clean-up of Airport property due to any Hazardous Substance Release. To the extent the Port is able to recoup all or some of its expenditures from insurance proceeds, such amount shall be refunded to the appropriate Cost Center.

Additional Space for New or Expanding Air Carrier

Capital Improvements required in order to make available additional terminal space or related facilities for the expansion of an Air Carrier , or to make space or facilities available in the Terminal to accommodate a new entrant or expanding Air Carrier, provided before any construction is commenced, such Air Carrier enters into a binding commitment to lease that space for at least the remaining term of the Signatory Agreement, and provided, further, that existing space or facilities are not otherwise available to accommodate the Air Carrier

under Section 34 of this Agreement in a competitive, non-disruptive and otherwise satisfactory manner.

Improvements Requested by Airline

1.19
MII Approval of Capital Projects

PDX

Should Airline request the Port to finance any Capital Improvement within its Exclusive or Preferential Space, the Port may use Airline Cost Center Revenues to do so, with repayment in full being amortized over a period not to exceed ten (10) years, except for loading bridges, which period shall not exceed (15) years, as more particularly described in Section 18 .13 (e). The interest rate shall be computed using the all in total interest cost associated with the financing instruments used to pay for the Capital Improvements. Debt Services Coverage will be included in the repayment. Before the Port agrees to finance any such Capital Improvements, Airline will also be required to enter into a Reimbursement Agreement and to supply a Security Deposit, in the form of a Letter of Credit or cash, in an amount to be determined by the Port.

MII Disapproval Process for Capital Improvements

Except for projects included within the pre-approved TWO HUNDRED NINETY-NINE MILLION DOLLARS AND NO CENTS ($299,000,000.00) Capital Improvements Program and those exempted projects described in Section 24.3 any other Capital Improvements which the Port desires to make during the term of this Agreement will be subject to the disapproval of a fifty percent (50%) MII, as more particularly described in each Section below. If a Signatory Airline has ceased service at the Airport, for whatever reason at the time of an MII vote, then that Airline and its Terminal Rents, Landing Fees, and Enplaning Passengers shall not be counted. For purposes of this Section, a Signatory Airline will be deemed to have ceased service if that Signatory Airline has no scheduled Service as of the date that the ballot is mailed by the Port. If an MII disapproved vote is required, ballots will be mailed to all Signatory Airlines entitled to vote, at least thirty (30) days in advance of the deadline to vote. Any ballot not returned by the deadline date specified in such notice will be counted as an approval of the Capital Improvements. Airline ballots may be sent to Airline by fax or certified mail the Notice Address provided in section 36.34 and may return to the Port via fax or certified mail to the Notice Address set forth in Section 36.34.

MII Disapproval Process for Capital Improvements or Programs Impacting only the Terminal Cost Center

If the Capital Improvement will impact only the Terminal Cost Center, then only the Signatory Passenger Airline will be notified and the MII will be based on both the number of Signatory Passenger Airline (more than fifty percent [50%]), and the number of Signatory Airline Enplaned Passengers (more than Fifty percent [50%]) counted for MII vote process set forth in Section 24.4. This measure will be calculated over the immediately preceding twelve (12) month period.

1.19
MII Approval of Capital Projects

MII Disapproval Process for Capital Improvements or Programs Impacting only the Airfield Cost Center

PDX

If the Capital Improvement will impact only the Airfield Cost Center, then both the Signatory Passenger Airlines and the Signatory Cargo Airlines will be notified. The MII will be based on both the number of Signatory Airline (more than fifty percent [50%]), and more than fifty percent (50%) of the total Signatory Airline landed weigh will be counted for the MII vote process set forth in Section 24. 4. This measure will be calculated over the immediately proceeding twelve (12) month period.

MII Disapproval Process for Capital Improvement or Programs Impacting Both Terminal and Airfield Cost Centers

If the Capital Improvement will or could impact both the Terminal Cost Center and the Airfield Cost Center, then both the Signatory Passenger Airlines and the Signatory Cargo Airlines will be notified and counted along with their total Landing Fees and Terminal Rents. The MII will be based on both the number of Signatory Airlines (more than fifty percent [50%]), and more than fifty percent (50%) of the total of Terminal Rents paid for Signatory Airline Exclusive, Preferential, and Shared Space, Common Use Gates used in association with the IAF, and Signatory Airline Landing Fees for the MII vote process set forth in Section 24.4. This measure will be calculated over the immediately preceding twelve (12) month period.

Disapproval of a Capital Improvement

In the event of an MII disapproval of a Capital Improvement, the Port shall have the option to convene a meeting with the ACC. Unless the Port extends the time for holding the meeting it shall be hold within sixty (60) days following the date of the disapproval, at a mutually convenient time and place. At said meeting, the Port may respond to questions raised during the meeting, and may ask that the disapproval of the proposed Capital Improvement be withdrawn or that another approval vote be taken. If an MII agrees, in writing, at any time during or after the meeting, to withdraw the disapproval or allow another

vote and the Capital Improvement is not disapproved by the second vote, the Port may proceed with the Capital Improvement.

24.5.1 Capital Improvements Not Impacting Airline Supported Area Rents

1.19 MII Approval of Capital Projects

In the event a Capital Improvement is not approved by the Signatory Airlines, the Port may make Capital Expenditures in the Terminal Cost Center or the Airfield Cost Center or the Airfield Cost Center for which all cost to construct and operate the Capital Improvements are paid for financed from funds lawfully available to the Port, including, but not limited to, coverage, PFC dollars, grants funds, the Port Cost Center or non-Airport Fund Revenues. Such Capital Improvements are not to be included in the determination of Rents applicable to the Airline Supported Area.

PDX

Pending Improvements Projects

Only those Capital Expenditures for projects starting after July 1, 2004, shall count against the CIP Cap.

25. MII APPROVAL PROCESS

Signatory Agreement Amendment Process

Any amendment to the Signatory Agreement , including extending the Signatory Agreement, as provided in section 2.2, shall required an approval MII vote of at least two thirds (2/3) of all Signatory Airlines if the amendment will have an adverse financial impact on any of the Signatory Airlines. If the Port desires approval for a Capital Improvement outside of the CIP Cap before the CIP Cap has been exceeded, as defined in Section 24.2.3. an amendment will be required. If a Signatory Airline has ceased service at the Airport, for whatever reason , a the time of an MII vote, then that former Signatory Airline and its Terminal Rents, Landing Fees, and Enplaned Passengers shall to be counted. For purposes of this Section, a Signatory Airline will be deemed to have ceased service if that Signatory Airline has not Schedule Service as of the date that the ballot is mailed by the Port. If an MII approval vote is required, ballots will be mailed to all Signatory Airline entitle to vote, at least thirty (30) days in advance of the deadline to vote. Any ballot <u>not</u> returned by the deadline date specified in such notice will be counted as an approval of the amendment. Airline ballots may be sent to Airline by fax or certified mail to the Notice Address set forth in Section 36.34, and may be returned t the Port via fax or certified mail to the Notice Address set forth in Section 36.34. The process for

receiving Signatory Airline approval to amend the Signatory Agreement shall be as follows:

25.1.1 MII Approval Process for Amendments Impacting only the Terminal Cost Center

1.19 MII Approval of Capital Projects

If the amendment will impact only the terminal Cost Center, then only the Signatory Passengers Airlines will be notified, and the MII will be base on approval by more than sixty-six percent (66%) of Signatory passenger Airlines, or by those Signatory Passenger Airlines whose combines Enplaned Passengers account for more than sixty-six percent (66%) of total Signatory Passenger Airline Enplaned Passengers. This measure will be calculated over the immediately preceding twelve (12) month period.

PDX

25.1.2 MII Approval Process for Amendments Impacting only the Airfield Cost Center

If the amendment will impact only the Airfield Cost Center, then both the Signatory Passenger Airline and the Signatory Cargo Airlines will be notified. The MII will be based on approval by more than sixty-six percent (66%) of Signatory Airline or approval by those Signatory Airline whose combines landed weights account for more than sixty-six percent (66%) of the total signatory Airline landed weight. This measure will be calculated over the immediately preceding twelve (12) month period.

25.1.3 MII Approval Process for Amendments Impacting Both Terminal and Airfield Cost Centers

If the amendment will or could impact both the Terminal Cost Center and the Airfield Cost Center, then both the Signatory Passenger Airlines and the Signatory Cargo Airlines will be notified and counted, along with their total Landing Fees and Terminal Rents. The MII will be based on approval by more than sixty-six percent (66%) of Signatory Airlines or approval by those Signatory Airlines whose combine Terminal Rents paid for Signatory Airline Exclusive, Preferential, and Shared Space, Common Use Gates used in association with the IAF, and Signatory Airline Landing Fees total more than sixty-six (66%) of the total Terminal Rents pad for Signatory Airline Exclusive Preferential, and Shared Space; Common Use Gates used in association with the IAF; and Signatory Airline Landing Fees. This measure will be calculated over the immediately preceding twelve (12) month period.

25.2 Rejection of Signatory Agreement Amendment

1.19
MII Approval of Capital Projects

In the event of an MII rejection of a Signatory Agreement amendment, the Port shall have the option to convene a meeting with the ACC. Unless the Port extends the time for holding the meeting, it shall be held within (60) days following the date of the disapproval, at the mutually convenient time and place. At said meeting, the Port may respond to questions raised during the meeting, and may ask that the disapproval of the proposed amendment be withdrawn or that another approval vote be taken, If an MII agrees, in writing, at any time during or after the meeting, to approve the amendment, the Port may proceed with the amendment.

PHL

Excerpt from PHL Agreement:

Article 30
CAPITAL EXPENDITURES

Capital Expenditures to preserve, rehabilitate protect, enhance, expand, or otherwise improve the Airport System, or any part thereof, will be required during the term of this Agreement.

A. Pre-Approved Capital Improvement Program
City has identified on Exhibit E of this Agreement the Capital Expenditures in the Pre-Approved Capital Improvement Program planned for the inclusion in Airline Cost Centers. Airline agrees to the inclusion of Airport Expenses associated with the Capital Improvement Projects set forth on Exhibit E. in the identified Airline Cost Centers and in the determination of Airline's rentals, charges and fees upon the Substantial Completion date of each Capital Improvement Project. Modification or amendment of Exhibit E shall not require a formal amendment to this Agreement, but shall be subject to the provisions contained in this Article pertaining to Signatory Airline Consultation Process, as applicable.

B. Rights regarding Proposed Capital Improvements Projects

City's Right to Capital Program. Airline acknowledges that nothing contained in this Agreement, including but not limited to the withholding of Capital Expenditure approval by the Signatory Airlines pursuant to this Agreement, in any way limits or restrict the rights of City implement Capital Improvement Projects within the Airport System at any time.

Withholding Approval. Airline acknowledges that the rights granted in this Article are expressly limited to preventing the inclusion of Airport Expenses of Capital Improvement Project(s) except those exempted in

Article 30 (C)(2) below in the applicable rate base for the Airline Cost Centers during this Agreement's term.

The Pre-Approved Capital Improvement Program does not increase more than ten percent (10%) over the estimated aggregate Capital Expenditure as shown on Exhibit E.

1.19
MII Approval of Capital Projects

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(a) Any reallocation of all or portion of the funding approved for one or more projects in the Pr-Approved Capital Improvement Program, so long as City provides the Signatory Airlines with a written notification of the reallocation, an opportunity for a consultation discussion if requested by any of the Signatory Airlines and a revised Exhibit E;

(b) Any Capital Improvement Project and associated Capital Expenditure required by an y agency of the United States government or Commonwealth of Pennsylvania having jurisdiction over activities within the Airport System or by federal law or executive order;

(c) Any Capital Improvement Project and associated Capital Expenditure to repair casualty damage at the Airport System or to Airport System property which must be repaired in order for the City to meet its obligations under this Agreement or under any Bond Documents related to the Airport System, the cost of which exceeds the proceeds of insurance;

(d) Any Capital Improvement Project and associated Capital Expenditure required settling claims, satisfying judgment or comply with judicial orders against the State or City by reason of ownership, operation, or maintenance of the Airport System. To the extent City is able to recoup all or some of its expenditures from insurance proceeds, such amounts shall be refunded to the Airline Cost Center, prorated as applicable; or

(e) Any Capital Improvement Project and associated Capital Expenditure that is of an emergency nature, as determined by City.

D. Signatory Airline Consultation Process – New Capital Improvement Projects

1. Notification. City shall provide a notification to the Signatory Airlines identifying any new Capital Improvement Projects and whether those Capital Improvement Projects require a Signatory Airline Consultation Process in accordance with this Article. The notification shall include (i) the date, time and location for the consultation meeting which shall occur no sooner than fifteen (15) days after delivery of the

notification and (ii) the basis upon which City establish that a Capital Improvement Project is exempt from the Signatory Airline Consultation Process, if applicable.

2. Project Description. The notification shall also include the following for each Capital Improvement Project requiring a Signatory Airline Consultation Process outlined on City notification:

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MII Approval of Capital Projects

(a) A description of the proposed Capital Improvement project, together with a cost estimated, schedule, estimated Substantial Completion Date, and preliminary drawing, if any;

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(b) The proposed allocation of Capital Expenditure among Airline Cost Centers(s);

(c) An explanation of the need for and/or benefit to be derived from the Capital Improvement Project'

(d) The proposed funding for the Capital Improvement Project;

(e) The impact of the Capital Improvement Project on rates to be paid by the Signatory Airlines in each of the Airline Cost Centers due to the new Airport Expenses upon the Substantial Completion Date of the Capital Improvement Project; and

(f) A description of any required vacating or relocation of Signatory Airline form the Total Airline Leased Premises and the proposed cost of such relocation

E. Signatory Airline Consultation Process – Capital Improvements Projects funding Variances

1. Notification. City shall provide a notification to the Signatory Airlines in the event:

(a) The aggregate Capital Expenditure for the Pre-Approved Capital Improvement Program set forth on Exhibit E exceeds the aggregate amount of the previously approved Capital Expenditure for the Pre-Approved Capital Improvement Program by more than ten percent (10 %) or

(b) The amount of any Capital Expenditure for a new Capital Improvement project exceeds the amount of the approval Capital Expenditure by more than then percent (10%) and such excess will increase Airline Revenues to be paid by the Signatory Airline.

2. In the notification to the eligible Signatory Airlines, City shall provide:

(a) The reason the approved Capital Expenditure has increased by more than ten percent (10%) over the original estimate or the reason that City now plans to fund the Capital Improvement Projects in a manner which will increase Airline Revenues to be paid by the Signatory Airlines;

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(b) The particular Airline Cost Center (s) rate base in which the additional Capital Expenditure is to be included upon the Substantial Completion Date of the Capital Improvement Project;

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(c) The estimated change in rates to be paid by the Signatory Airlines in each of the Airline Cost Centers due to the revised Airport Expenses upon the Substantial Completion Date of the Capital Improvement Project; and

(d) The date, time and location for the consultation meeting which shall occur no sooner than fifteen (15) days after delivery of the notification.

F. Signatory Airline Disapproval Process

1. Vote. Within thirty (30) days following City-Signatory Airlines consultation meeting, City shall provide all Eligible Signatory Airlines with a ballot and conduct an Eligible Signatory Airline vote as follows:

(a) For those Capital Expenditures or Capital Improvement Project funding variance that will only impact the rates fees and charges of the Terminal Area Cost Center, the MII will be based on the terminal Area Cost Center MII Formula.

(b) For those Capital Expenditures or Capital Improvements Projects funding variance that will impact the rate, fees and changes of the Airfield, the Other Buildings and Areas, or the Philadelphia Northeast Airport Cost Centers, the MII will be based on the Airfield Area Cost Center MII Formula.

2. Voting. Each Eligible Signatory Airline which is entitled to vote pursuant to the above-described procedures shall submit its ballot to the City and the Chairman of the Philadelphia Airlines Airport Committee signifying its approval or disapproval of the proposed Capital Expenditure or Capital Improvement Project funding variance within thirty (30) days of the delivery of the ballots to the Eligible Signatory Airlines.

3. Approval of Capital Expenditures or Capital Improvement Project funding variance, Capital Expenditures or Capital Improvement Project funding variance on the ballot distributed to the Eligible Signatory Airlines shall be deemed approved unless disapproval is specifically provided by Eligible Signatory Airlines shall be deemed approved unless disapproved is specifically provided by Eligible Signatory Airlines pursuant to the applicable MII formula, within thirty (30) days of the issuance of the ballot.

1.19 MII Approval of Capital Projects

G. Application of Airport Expenses

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1. Approved Projects. The Airport Expenses for Capital Improvement Projects that are exempt from a Signatory Airline Consultation Process or deemed approved by the Eligible Signatory Airlines shall be included in the applicable Airline Cost Center rate base upon the Substantial Completion Date of such Capital Improvement Project.

2. Disapproved Projects. The Airport Expenses for Capital Expenditures or Capital Improvement Project funding variances that are disapproved by the Eligible Signatory Airlines may not be included in an Airline Cost Center rate base unless and until a subsequent Signatory Airline Consultation Process approves the Capital Expenditure.

H. Disapproved Capital Improvement Project Status
From time to time, City may call for another Signatory Airline vote to establish Eligible Signatory Airline approval or disapproval on a Capital Expenditure or Capital Improvement Project funding variance that has previously been disapproved.

SEA

Excerpt from SEA Agreement:

"Majority-in-Interest" means Air Carries that account for more than fifty-five (55) percent in number of the Signatory Airline and that also account for more than fifty-five (55) percent of the Terminal Rents and Landing Fees paid by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

ARTICLE 6
CAPITAL IMPROVEMENTS

6.1 ***Approved Capital Improvement Projects***

*Airlines approves each of the Capital Improvement Projects listed on **Exhibit F** attached to this Agreement ("Approved Projects"). The Port may proceed with any and all Approved Projects without further review by the Majority –in-Interest.*

1.19 MII Approval of Capital Projects

6.1.1 Notice of Increased Approved Project, the Port's then-current estimate (calculated on a consistent basis) of the Approved Project's capital costs that will be added to the rate bases used to calculate Landing Fees or Terminal Rents (the "Airline Rate Bases") exceeds in constant dollars one hundred and ten percent (110%) of the Approved Project's capital cost to be added to the Airline rate Bases estimated at the time of Airline approval, and the increase did not result from an event set forth in subsection 6.2.1 below, the Port shall notify all Signatory Airlines, including Airlines, in writing of the increase in the Approved Project's estimated rate base impact, shall provide a written explanation or justification for the increase and shall give the Majority-in-Interest, including Airline, an opportunity to provide written notice to the Port of any objections it wished to lodge against completion of the Approved Project.

SEA

6.1.2 MII Review. The Majority-in-Interest shall deliver the Port, within thirty (30) days of the Port's mailing or deliver of its notification under subsection 6.1.1, written notice of any objections it wishes to lodge against completion of the Approved Project. The Port shall not proceed with any previously Approved Project which has been objected to by a Majority-in-Interest under this subsection 6.1.2 for a period of one hundred and eighty (180) days from the Port's mailing or deliver of its notification of the increase in cost, to allow the Majority-in-Interest to develop and present to the Port the basis of its objections to the completion of the Approved Project. At the conclusion of that one hundred and eighty (180) day period, the Port may proceed with the previously Approved Project, notwithstanding the increase in its costs and any objection by the Majority-in-Interest.

*6.1.3 Capital Project Procedures. The Port shall use the Capital Project Procedures, attached hereto as **Exhibit G** and as may be amended by the Port in consultation with the Signatory Airlines, for the implementation of all Capital Improvements Projects.*

*6.1.4 List of Approved Projects. The Port shall maintain a list of Capital Improvements Projects, including the Projects listed on **Exhibit F**, that have been approved by the Majority-in-Interest or that have been subject to review by the Signatory Airlines under subsection 6.2.6. This list shall be the basis for cost reporting to the Airlines as prescribed in the Capital Project Procedures.*

6.2 Additional Capital Improvements.

Any other Capital Improvements which would be expected to result in the addition of capital costs to the rate bases used to calculate either Terminal Rents or Landing Fees to be paid by Signatory Airlines of two million dollars ($2,000,000) or more are subject to the provisions set forth in subsection 6.2.6, unless:

1.19 MII Approval of Capital Projects

6.2.1 the Capital Improvements is required by a Federal or State agency of superior authority with jurisdiction over the Airport;

6.2.2 the Capital Improvements is of an emergency nature, which, if not made, would substantially impair the current operation of the Airport;

SEA

6.2.3 the Capital Improvement is required in order to make available additional terminal space or related facilities for the expansion of an Air Carrier or to make space or facilities available in a terminal to accommodate a new entrant or expanding Air Carrier, provide such Air Carrier enters into a binding commitment to lease the space so made available for at least the reaming term and on the same terms as provide for the lease of comparable space under this Agreement, and provide, further that existing space or faculties are not otherwise to accommodate the Air Carrier under the Articles 2,3, 4 and 5 of this Agreement in a competitive, non-disruptive and otherwise satisfactory manner;

6.2.4 the Capital Improvement is to repair or replace Airport property damaged or destroyed by fire or other casualty; or

6.2.5 the Capital Improvement is made to settle claims or lawsuits, satisfy judgments or comply with judicial or administrative orders against the Port arising from or relating to its design, construction, owner ship, maintenance or use of the Airport.

6.2.6 To the extent consistent with meeting Federal and State mandates or responding to Airport emergencies, the Port shall notify all Signatory Airlines, including Airline, in writing of any proposed Capital Improvement exempted from the provisions of this subsection 6.2.6 by the provisions of subsection 6.2.1 through 6.2.5 and shall provide Airline with an opportunity to comment upon the proposed Capital Improvement.

(a) The Port shall, during the term develop any Additional Capital Improvement Projects using the Capital Project Procedures.

1.19
MII Approval of Capital Projects

(b) The Port shall notify all Signatory Airlines, including Airlines, in writing of any proposed Capital Improvements subject to this subsection 6.2.6 and shall give the Majority-in-Interest, including Airline, an opportunity to determine whether or not to object to the proposed Capital Improvement. The Port's notification shall include (i) a description of the Capital Improvement; (ii) drawing showing its location, to the extent available; (iii) estimates of its total capital cost; (iv) estimates of its O&M costs; (v) an explanation of the benefits it will provide; (vi) a schedule for its implementation; (vii) a summary of how the Capital Improvement will be funded; and (viii) and estimate the impact the Capital Improvement will have on the Terminal Rents and Landing Fees to be paid by Signatory Airlines. The Majority-in-Interest shall deliver to the Port, within thirty (30) days of the Port's mailing or deliver of its notification of the proposed Capital Improvement, written notice of any objections it wished to lodge against the proposed Capital Improvement

SEA

(c) The Port shall not proceed with construction of any Capital Improvement which has been objected to by a Majority-in-Interest for a period of one hundred and eighty (180) days from the Port's mailing or delivery of its notification of the proposed Capital Improvement, to allow the Majority-in-Interest to develop and present to the Port the basis of its objections to the proposed Capital Improvement. At the conclusion of that one hundred and eighty (180) day period, the Port may proceed with the proposed Capital Improvement notwithstanding any objection by the Majority-in-Interest, provided that at the time the Port elects to proceed with construction of the Capital Improvement, the Port's then-current estimate (calculated on a consistent basis) of the Project's capital costs that will be added to the Airline Rate Bases does not exceed in constant dollars one hundred and ten percent (110%) of the Project capital costs to be added to the Airline Rate Bases that were disclosed when the Port gave notice under subsection 6.2.6 (b). If by the time the Port elects to proceed with construction of the Capital Improvement that was subject to review by the Signatory Airline under this subsection 6.2.6 the Port's then-current estimate (calculated on a consistent basis) of the Project's capital costs that will be added to the Airline Rate Bases exceeds in constant dollars one hundred and ten percent (110%) of the Project's capital cost to be added to the Airline Rate Bases that were disclosed when notice was given, the provisions of subsection 6.2.6 (a) and 9b) shall again apply and the Majority-in-Interest, including Airline, shall be given an opportunity to provide written notice to the Port of any objection its wished to lodge against completion of the Project; provided, however, that if the increase in estimated capital costs is attributable to delays associated with review of the proposed project by the Signatory

Airlines, the provision of subsection 6.2.6 (a) and (b) shall not apply again.

6.3 Rate Recovery

1.19 MII Approval of Capital Projects

The capital costs (including capitalized interest) of any Capital Improvement Project subject to this Article shall not be include in the Airline Rate Bases until its date of beneficial occupancy except as provided in subsection 8.3.1(b), below.

Excerpt from STL Agreement:

STL

ARTICLE VII
AIRPORT EXPANSION AND CAPITAL IMPROVEMENTS

Section 701. Airport Expansion

As the City may deem necessary to protect the interest of the public, the City may incur cost to acquire land; plan, design and construct facilities; or purchase and install equipment to preserve, rehabilitate, protect, enhance, expand, or improve the Airport, or any part thereof, during the term of this Agreement in accordance with the provision of this Article.

Section 702. Five-year Capital Improvement Program

The City has developed a five-year (FY2006-FY2010) Capital Improvement Program ("5-Year CIP") for the Airport, which is attached and incorporated herewith as Exhibit F.

(A) The Capital Improvements identified in the 5-Year CIP are hereby approved by Airline. Accordingly:

(i) the City may proceed with each and all of those Capital Improvements without additional review by the Participating Airline; provided, however, that City shall adhere to the general timing, budget estimates, and funding source shown in Exhibit F;

(ii) the City may pay the Net Costs associated with such Capital Improvements by using funds lawfully available for such proposes, and may borrow funds in amounts sufficient to finance such projects;

(iii) the City may recover through Rents, Fees and Charges a proper allocation of the New Costs of such Capital Improvements through an

Amortization beginning the Fiscal Year of beneficial use, in accordance with the provisions of Article VI.

(B) Contemporaneously with the coordination process set forth in Section 602, and otherwise at any time during each Fiscal Year as needed, the City shall report to all Participating Airlines on the progress of its implementation of the 5-Year CIP, including then-current cost estimates, funding sources, and expenditures to date.

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MII Approval of Capital Projects

Section 703. Review and Approval of Material Changes to 5-Year CIP

STL

(A) If, following receipt of bids for a Capital Improvement, the project cost of such Capital Improvements is greater than 110% percent of the total cost as shown in Exhibit F. the City shall convene a meeting with the Participating Airlines to review and discuss the project. Following such meeting, the Capital Improvements shall be deemed approved for purpose of Section 702(A) unless a Majority-in-Interest gives Notice to the City within 30 days of such meeting that the Capital Improvement is disapproved.

(B) If a Capital Improvement listed in the 5-Year CIP is disapproved in accordance with Subsection 703(A), the City may:

(i) reduce the scope and cost of the Capital Improvements so that the project's projected total cost is no greater than 110% of the total cost shown in Exhibit F for the Capital Improvement, and proceed to undertake the Capital Improvement as modified;

(ii) proceed to undertake the Capital Improvement; provided, however, that the City shall not recover through Rents, Fees, and Charges a project Net Cost greater than the Net Cost resulting from a total estimated cost that is no greater than 110% of the total cost shown in Exhibit F; or

(iii) not proceed with the Capital Improvement at the time.

Section 704. Long-Term Solution for Baggage Screening

The City and Airline recognize that is in the best interest of the traveling public to develop a long-term solution for screening baggage for explosives as an integrated part of the outbound baggage conveyor systems at the Airport. The City has developed a comprehensive plan for such "in-line" explosives detection systems ("EDS") for each of the Terminal Buildings that include building and parking structure modification and conveyor systems to accommodate new or relocated

EDS equipment that would be provided and installed by the Transportation Security Administration ("TSA"). The City reserves the right to design and construct the Capital Improvements necessary to accommodate the in-line EDS without Majority-In-Interest approval, and to include the Net Cost of such Capital Improvements in the Rents, Fees and Charges to long as the City applies for and obtain a commitment from TSA (or other appropriate federal agency) to provide no less than 75% of the total cost of such Capital Improvements in federal grants-in-aid. Contemporaneously with obtaining a federal grant commitment, the City shall review and discuss with the Signatory Airlie such in-line EDS-related Capital Improvements to ensure that the proposed projects are deemed to be efficient technical solutions given the state of available technology at that time.

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To the extent permitted by law and FAA policy, and to the extent feasible within the context of the City's 5-Year CIP, the City will use its best effort to seek approval to collect and use PFCs to fund the City's share of the costs of the Capital Improvements reference in this Section so as to reduce, to the extent possible, the Net Cost of such Capital Improvements.

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Section 705. Additional Capital Projects

(A) Airline recognizes that, form time to tome, the City may consider it necessary, prudent, or desirable to undertake Capital Improvements other than those identified in the 5-Year CIP ("Additional Capital Improvements"), and that the Net Cost of such Additional Capital Improvements may be recoverable through Rents, Fees, and Charges.

(B) Contemporaneously with the coordination process set forth in Section 602, and otherwise at any time during each Fiscal Year as needed, the City shall review and discuss all such proposed Additional Capital Improvements with the Participating Airlines. Following such meeting, the relevant Additional Capital Improvements shall be deemed approved unless a Majority-in-Interest notifies the City within 30 days of such meeting that such Additional Capital Improvements are disapproved.

(C) If such Additional Capital Improvements are not disapproved as provided in Subsection 705(B0, the Net Cost attributable to such Additional Capital Improvements shall be recoverable through Rents, Fees, and Charges in accordance with the provisions of Article VI.

(D) Notwithstanding the provisions of Subsections 705(B) and (C), the City may undertake Additional Capital Improvements, and recover the Net Costs attributable to each such Additional Capital

Improvements through Rents, Fees, and Charges without Majority-In-Interest approval, if such Additional Capital Improvements is undertaken:

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MII Approval of Capital Projects

(i) to comply with federal, state, or local law, regulation, policy, grant agreement or airport certification requirements, or mandated by executive order or by an executive agency state or federal) having jurisdiction over the activities at the Airport;

(ii) to comply with a requirement of the Trust Indenture:

(iii) as an emergency repair, replacement, or improvement to maintain the Airport's functional capability;

STL

(iv) to settle claims, satisfy judgments, or comply with judicial orders rendered by a court of competent jurisdiction against the City and pertaining to the Airport;

(v) to repair casualty damage a the Airport not covered by insurance proceeds, if any;

(vi) to acquire land or rights to land to mitigate aircraft noise, or provide for sound insulation as part of a noise compatibility program approved by the federal government in accordance with the provisions of 14C.F.R. Part 150;

(vii) to conduct environmental investigation and remediation at the Airport as required by applicable Environmental Laws and Environmental Permits; provided, however that the City will use its best efforts to recover such costs from the party at fault, if such party is identified;

(viii) for safety reason;

(ix) as a substitute project for a Capital Improvement that is identified in the 5-Year CIP, which Capital Improvement is not to be undertaken due to changed circumstances at the Airport an is to be deleted from Exhibit F; provided, however, that:

(1) the substitute project is functionally equivalent, or is deemed by the City to be a better technical solution, to the Capital Improvement to be deleted from Exhibit F;

(2) the Net Cost of such substitute project is equal to or less than the Net Cost of the Capital Improvement being deleted; and

(3) for purposed of calculating Rents, Fees, and Charges, the Net Cost of such substitute project is allocated to the same Cost Center as that shown on Exhibit F for the Capital Improvement being deleted; or

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(x) as a substitute project for a Capital Improvement that is identified in the 5-Year CIP, which Capital Improvement is not to be undertaken at the request of the Participating Airline, and is to be deleted from Exhibit F; provided, however, that:

(1) the Net Cost of such substitute projects is equal to or less than the Net Cost of the Capital Improvement being deleted; and

STL

(2) for purposes of calculating Rents, Fees, and Charges, the Net Cost of such substitute project is allocated to the same Cost Center as that shown on Exhibit F for the Capital Improvement being deleted.

When undertaking Additional Capital Improvements, and consistent with prudent business practices the City will apply for all available federal and state grants-in-aid, and will seek approval for collection and use of Passenger Facility Charges to the extent permitted by law or FAA policy.

Section 706. Capital Outlays

Equipment Purchases and Capital Outlays shall not be subject to Majority-In-Interest approval. For the purpose of calculating Rents, Fees, and Charges in Accordance with Article VI, the cost of Equipment Purchases and Capital Outlays shall be allocated to the applicable Cost Center and expensed the Fiscal Year in which they occur. The City will make its best efforts to disclose all proposed Equipment Purchases and Capital Outlays for each Fiscal Year as part of the coordination process in accordance with Section 602. Airline recognizes, however, that certain unbudgeted Equipment Purchases and Capital Outlays may be required to be undertaken during the course of any Fiscal Year in order to properly operate, maintain, or repair the Airport facilities. The City reserves the right to undertake such Equipment Purchases and Capital Outlays as it deems necessary; provided, however, that City shall not subdivided Capital Improvements into smaller project solely for the purpose of re-characterizing such Capital Improvements as Equipment Purchases and Capital Outlays to avoid a Majority-In-Interest review in accordance with Subsection 705(B).

Section 707. Passenger Loading Bridge Program

Airline acknowledges that it is the City's long-term policy to own all the passenger loading bridges at the terminal Buildings. Notwithstanding any other provision in this Agreement, the City may elect during the term of this Agreement to: (i) replace any existing city-owned passenger loading bridges, (ii) purchased passenger loading bridges to be installed at Gates lacking such equipment, and/or (iii) enter into negotiations with airline to acquire and/or replace any or all Airline-owned passenger loading bridges at the Airport.

1.19
MII Approval of Capital Projects

Section 708. Expenditures for Planning and Preliminary Design

STL

Airline recognized that, from time to time, the city may engage with outside professionals to provide planning and preliminary design services to define the scope and costs of proposed Capital Improvements. The City reserves the right to undertake such services without a Majority-In-Interest approval, and the City reserves the right to include the Net Cost of such services in the Rents, Fees, and Charges upon completion of such Capital Improvements or if an when such projects are ultimately disapproved and/or cancelled. Net Costs of planning and preliminary design for projects that proceed to construction shall be amortized over the useful life of the project. Net cost of planning and preliminary design for projects that are disapproved and/or cancelled shall be amortized over five years. This Section shall relate only to preliminary design efforts required to define the scope, configuration, technical specifications and estimated cost of proposed Capital Improvements, but not final design or construction documents. Contemporaneously with the coordination process set forth in Section 602, the City shall review and discuss with the Participating Airlines any actions proposed to be taken in accordance with this Section during the upcoming year

Summary of ACI Survey of Airline Approval for Capital Projects is below.

1.19 MII Approval of Capital Projects

ACI

Airline Approval for Capital Projects	SEA	PDX	STL	BWI	SLC	PHL
Airline Rights						
Does Lease have MII or Similar Provision? Y/N	Y	Y	Y	Y	Y	Y
Approval					Y	
Disapproval	X	Y	Y		N	Y
Deemed Approved Unless						
Disapproved		Y	Y	Y	N	Y
Deferral	X	N	n	Y	N	No
Appeal	X	N	N		N	No
Consultation Process	Y	Y	Y	Y	Y	Y
MII Definition						
>50% Number	55%	50%	66.66%	50%	50%	50%
>50% Landed Weight		50%				50%
>50% Enplaned Passengers		50%			50%	50%
>50% Seats						
Percentage of rents and/or fees paid	55%	50%	66.66%	67%		
Other						
CIP Projects Exempt from MII						
Agreed Upon CIP	Y	$299M	Y	Y	N	Y
Security		Y	Y		N	
Safety		Y	Y		N	
Repair & Replace		Y			N	
Judgment, Settlements	Y	Y	Y	Y	N	Y
Required by Govt. Law, Rules & Regulations, & Mandates	Y	Y	Y	Y	N	Y
Repair Casualty Damage	Y	Y	Y		N	
Project does not impact airlines cost		Y			N	
Emergency	Y	Y	Y	Y	N	Y
Additional space for new or expanding carrier		Y			N	
Improvements requested by Airline		Y			N	
Special Facility projects if benefiting party enters agreement pay and no cost to other airlines	Y					N
Capacity-Enhancing Passenger				Y		
Terminal Improvement Project						
Acquire Land to mitigate noise			Y		N	
Environmental Investigation/Remediation			Y		N	
Comply with Trust Indenture			Y		N	
Substitute CIP Project			Y	Y	N	Y
Expenditures for Planning &			Y			
Preliminary Design					N	
Capital Expendit Dollar Threshold	>$20,000	>$5,000	>$100,000	>$100,000	>$500,000	
		>1 Year				
Minimum Life of Asset or Improvement	>3 Yrs Useful Life	useful life		5 Yrs		5 Yrs
						$10K/5 Yr
Capital Outlay			>$100.000		>$100,00	
Amortization			Expensed			
Useful Life	Y	Y	Y	Y		Y
Life of Lease	Leasehold Improvement					
Other					Y	
Pre-New Lease				Y		
Post-New Lease				Y		

1.19 MII Approval of Capital Projects

ACI

Airline Approval for Capital Projects	SEA	PDX	STL	BWI	SLC	PHL
Scope of Projects						
None					X	
All						
Pre-approved CIP	Y	Y	Y	Y		Y
New CIP Project Budget						
(additional to pre-approved CIP)	$1,85B		N			
Airfield only						Y
Terminal Only						Y
Additional Capital Projects			Y			Y
Monetary Threshold					>$100,000	
Terminal Projects	$2.5 M	$1.0M		>$100,000		
Airfield Projects	$2.5 M	$1.0M	>$100,000			
Other Projects	$4.5 M	$1.0M	>$100,000			
Dollar limit not addressed						
Project Cost Vari Requires MII	Y	N	Y		N	Y
No MII if does not impact Airlines Rates	Y	N	Y		N/A	Y
Who can vote						
Signatory Airline & Cargo		Y	Y			Y
Signatory Airline Only		Y	N		Y	Y
MII Process						
Written Notice to Airline	Y	Y	Y	Y	N	Y
Allow Airline to Approve Project	Y		N		N	
Allow Airline to Disapprove Project	Y	N	Y	Y		Y
Notification to include	Y					
Project Name		Y				
Project Number		Y				
Description of Capital Project	Y	Y		Y		Y
Drawing showing location	Y					Y
Estimate of Capital Cost	Y	Y		Y		Y
Cost Center Impacted				Y		Y
Estimate of O&M Costs	Y	Y		Y		Y
Financial Information		Y				
Explanation of Benefit	Y					Y
Project Schedule	Y	Y				Y
Summary of how project funded	Y	Y				Y
Cash Flows		Y				
Estimate of Rate & Charges Impact	Y	Y		Y		Y
Status of Capital Budget	Y					
Estimated DBO						Y
Description of vacating or relocating Airlines						Y
Airline to provide written notice of any objection to project	30 days	30 days	30 days	Y		Y
					N	
If disapproved, Airport not to proceed with project			Y		N	Y
Defferal	180 days	N	n		N	No
After deferral time period has lasped airpor may proceed with project	Y					
Airpor may include in Airline Rates	Y	Y	Y	Y	Y	
& Charges						
Impact on Rates & Charges	DBO	DBO	DBO	Y	Y	
Airline Reimbursement for Projects	Y	Y			Y	
Cash (Check)	Cash	Cash		Y	Y	
Rent Credits						
Capital Fund-Bonds						
Bond Related Provisions						

1.20 Bankruptcy Provisions

1.20 Bankruptcy Provisions

PHL

Excerpt from PHL Agreement:

H. Bankruptcy
Notwithstanding any provision contained in this Agreement and to the extent consistent with Federal bankruptcy law, any party to this Agreement which seeks protection under the Federal bankruptcy code, or is currently operating under the protection of the Federal bankruptcy code, herein called "Debtor", shall be prohibited from conveying its interest under this Agreement to any other entity without prior approval of City. In the event that such a Debtor intends to assume the Agreement, or assume and assign the Agreement pursuant to 11 U.S.C. Section 365, Bankruptcy-Executory Contracts and Unexpired Leases, the Debtor shall be required to immediately cure any and all defaults and provide adequate assurance of future performance under this Agreement which shall include, but not be limited to (i) adequate assurance of the reliability of the proposed source for the rentals, fees and charges due under this Agreement upon the assumption of the Agreement, and (ii) adequate assurance that all other consideration due under this Agreement shall be forthcoming upon the assumption of this Agreement.